

## UNITED STATES MARSHALS

Samuel Purvis, of Georgia, to be United States marshal, middle district of Georgia. (He is now serving in his position under an appointment which expired December 22, 1930.)

Allen B. Kale, of South Carolina, to be United States marshal, eastern district of South Carolina, to succeed Samuel J. Leaphart, term expired. (Mr. Kale is now serving under a recess appointment.)

G. Fred Flanders, of Georgia, to be United States marshal, southern district of Georgia, to succeed George B. McLeod, term expired. (Mr. Flanders is now serving under a recess appointment.)

## HOUSE OF REPRESENTATIVES

TUESDAY, DECEMBER 15, 1931

The House met at 12 o'clock noon.

Father Frederick J. Bergs, Milwaukee, Wis., offered the following prayer:

Pour forth, we beseech Thee, O Lord, Thy grace into the hearts of these Thy servants who are assembled here in this distinguished body to deliberate and to help to decide over the present and future destinies of our country. Enkindle their hearts with a true desire to perform their duties properly, and give them to understand the magnitude of the power and authority entrusted to them through Thy delegation from the people. Let not rancor or party spirit bedim and sway their judgment in the momentous questions presented to them for discussion, so that the result of their findings may be of benefit to our Nation and pleasing in Thy sight.

Bless these, Thy servants. Bless our Chief Executive and all our public officials, and give them strength to rightfully and truthfully perform the duties of the office assigned to them. Have mercy on Thy people also, O Lord; and if it please Thee, take away from us the visitation which Thou hast permitted to come over them and the nations of the world. Help us to obey Thy divine commandments, so that all our acts and deeds may react to the benefit of our land and humanity and redound to your honor and glory. Amen.

The Journal of the proceedings of yesterday was read and approved.

## THE NATIONAL BUDGET AND THE PUBLIC CREDIT

Mr. HAWLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record by printing a speech made by the Under Secretary of the Treasury entitled "The National Budget and Public Credit."

The SPEAKER. Is there objection?

There was no objection.

Mr. HAWLEY. Mr. Speaker, under the leave to extend my remarks in the Record, I include the following speech delivered by Hon. Ogden L. Mills, Under Secretary of the Treasury, before the Economic Club of New York, at the Hotel Astor, Monday evening, December 14, 1931.

The address is as follows:

You have invited me to discuss this evening the financial position of the United States Government and the many fiscal problems which confront our Government in these difficult times. I was very pleased indeed to accept, for I know of no subject in which all of our people, irrespective of whether they contribute directly to the Federal Government or not, are more vitally interested, or one which it is more important that they should understand. Adequate comprehension and support on the part of the Nation is essential to the Government in the performance of its fiscal functions.

We closed the last fiscal year with a deficit of \$903,000,000. We are confronted this year with a prospective deficit of \$2,123,000,000, and it is estimated that expenditures will exceed receipts by no less than \$1,417,000,000 in the fiscal year 1933. If we contrast these figures with a surplus of \$184,000,000 in 1930, one of \$185,000,000 in 1929, and of \$399,000,000 in 1928, we are shocked at the violence and suddenness of the change. For, while I am sorry to say that a falling off in income is an all too common experience these days, yet our Federal Government is so strong and our national resources are so great that somehow or other we feel that our Government should be superior to the ills to which individual citizens are subject. Indeed, there is so much truth in this con-

ception that, as we shall see, the Government has but to make a further call upon available resources to put its financial house in order.

To grasp not only what has happened in the immediate past but what should be done in the immediate future it is necessary to understand our revenue system, and to note the essential fact that it rests on a very narrow base. Take the fiscal year 1930 as an example: We find that in that year, out of total receipts from taxation of \$3,626,000,000, no less than \$2,411,000,000, or two-thirds, was contributed by income-tax payers, corporate and individual; \$587,000,000, or 16 per cent, from customs duties; and \$628,000,000, or 17 per cent, from miscellaneous internal-revenue taxes, of which the tax on tobacco contributed \$450,000,000 and the stamp taxes, chiefly on the issue and transfer of securities, about \$69,000,000.

These taxes are comparatively few in number, and all, with the exception of the tobacco taxes, which have steadily grown in years of prosperity and remained comparatively stable even under adverse conditions, are susceptible to very wide variations, in accordance with changing business conditions. This is obviously true in the case of customs receipts, which, with imports reduced both in quantity and value, fell from \$587,000,000 in the fiscal year 1930 to \$378,000,000 in 1931. The direct relationship between business prosperity and the net income of corporations, upon which the income tax is based, needs no elaboration, and the sharp drop from \$1,118,000,000 collected in 1930 to the \$550,000,000 which it is estimated we will collect in 1932 is but another indication of the extent of the depression. A falling off in activity in the security markets must be accompanied by a sharp reduction in receipts from stamp taxes.

But it is when we come to the income tax on individuals that the dangers incident to too narrow a tax base are most strikingly exemplified. The number of individual returns for the calendar year 1928 aggregated 4,071,000. Of this number, 382,000 taxpayers contributed \$1,128,000,000 and the other 3,689,000 individuals who made returns contributed but \$36,000,000. Clearly, under our system large and moderately large incomes bear practically the full burden of the individual income tax. Now, these incomes, as we shall see, are the very ones subject to the widest fluctuations, since they include business profits, and more particularly because in recent years the element of gain and loss resulting from the purchase and sale of capital assets has had on them a preponderating influence. In so far as tax receipts are concerned, these fluctuations are magnified by our progressive rates which necessarily result in taxes rising at a more rapid rate than incomes as the latter move forward into higher and, on the other hand, falling with greater abruptness as they recede into lower brackets.

Taxes returned on individual incomes fell from \$1,164,000,000 for the calendar year 1928 to \$474,000,000, according to available information, for 1930. The number of returns of those with incomes of from \$5,000 to \$10,000 fell from 561,000 to 506,000, while the tax paid fell from \$21,000,000 to \$17,000,000, or 22 per cent. Of those with incomes from \$10,000 to \$100,000, the number fell from 360,000 to 252,000, and the tax from \$409,000,000 to \$208,000,000, or 49 per cent, while of those with incomes of \$100,000 and over the number fell from 15,780 to 6,152, and the tax from \$700,000,000 to \$238,000,000, or 66 per cent.

While income from all sources declined, the one chiefly responsible for this almost perpendicular drop was gains from the sale of capital assets.

If we take the returns of individuals with net incomes of \$5,000 and over, we find that the aggregate net income returned fell from \$16,299,000,000, in 1928, to \$10,119,000,000, in 1930, or a decrease of \$6,180,000,000, and of this amount no less than \$4,230,000,000, or about 68 per cent, is accounted for by the reduction in net profits in excess of losses, resulting from the sale of capital assets.

The question of taking into consideration, in the determination of taxable income, gains and losses from the purchase and sale of capital assets, has been the subject of much discussion. Many people believe that this feature of our income tax law should be eliminated, on the ground that it tends to promote, rather than to discourage, speculation in periods of expansion, and that it has a depressing effect in times of recession. I am inclined to think that this criticism is too sweeping, and that the supporting data is inadequate. Does anyone really believe that events would have been very different if we had had no income tax? If so, how are we to account for similar experiences in the past? And if it be urged that the magnitude of this folly was greater than ever before, my answer is that we made bigger fools of ourselves this time because our resources and the opportunities afforded us were infinitely greater. Certain it is that over a 10-year period this particular provision of our income-tax law has been extremely fruitful. Moreover, we must not forget that our conception of capital gain as income is an integral part of our income tax law, woven into its structure, and that it can not be eliminated without a complete rewriting of the law, and undoing the results of many years of trial and uncertainty, during which the interpretation of the law became clarified through administrative and court decision, and its administration reached a point where certainty began to take the place of arbitrariness and blind groping. Do we want to travel back over that long hard trail for so doubtful a benefit? For who can contend, as a matter of principle, that the handsome gain yielded without effort by a quick turn in the market is a less legitimate object of taxation than a hard-earned salary or the remuneration of doctors, lawyers, engineers, and



other professional men, whose earning capacity is developed only through years of constant application and unremitting effort?

In passing, while we are on the subject of income-tax statistics, there is a fallacy which I would like to correct. When the figures for the calendar year 1929 were published a number of gentlemen who think that all is for the worst in the worst of worlds claimed that here at last was the final decisive proof of the concentration of wealth in the United States in a few hands. They eagerly seized on the fact that 504 individuals reported incomes of a million and over, and that no less than 967 individuals had reported incomes of between \$500,000 and a million; but when the returns for 1930 came in, we found that the former group had shrunk to 149 and the latter to 311, as compared with 206 and 376, respectively, in 1916. On the other hand, the number of individuals returning incomes of from \$5,000 to \$10,000 had grown from 150,000, in 1916, to 505,000, in 1930. The truth is that income-tax returns in any given year are unreliable guides in estimating the distribution of national income or wealth.

To summarize, our Federal Government relies on a very limited number of taxes, subject, generally speaking, to extreme fluctuations. It places its chief reliance on an income tax which, because of the character of its structure and the narrowness of its base, is susceptible to sharp increases and precipitous drops. As a result, our Budget lacks stability and is particularly vulnerable to a depression as sweeping as the one which has overtaken us. In consequence, our total receipts from taxation have shrunk from \$3,626,000,000, in the fiscal year 1930, to an estimated \$2,094,000,000, in the current fiscal year. Of this loss of \$1,530,000,000, no less than \$1,271,000,000 is accounted for by a falling off in income-tax collections.

In the meanwhile, expenditures are estimated at \$4,482,000,000 for 1932, compared with an actual total of \$3,994,000,000 for 1930, an increase of about \$490,000,000. Of this increase approximately \$350,000,000 is attributable to the estimated increase in expenditures for construction activities, including additional work on roads, public buildings, and a variety of emergency construction activities. It is estimated that the Veterans' Administration will require \$231,000,000 more in 1932 than in 1930, reflecting an increase of \$88,000,000 in funds required to meet loans to veterans on adjusted-service certificates and an increase of \$143,000,000 for military and naval compensations and other services for veterans. Expenditures for the postal deficiency will be \$103,000,000 larger than in 1930. The more important decreases include \$54,000,000 for interest paid on the public debt, largely as a result of lower interest rates; \$145,000,000 for public retirements principally due to the proposed postponement of payments by foreign governments for 1932, and \$68,000,000 for refunds of receipts. It should be observed that total expenditures for 1932, aggregating almost \$4,500,000,000, include about \$1,000,000,000 for interest on the public debt and sinking-fund retirements and a similar amount to cover expenditures for veterans of all wars. Neither of these major outlays is subject to reduction at will, so that the opportunity for reducing expenditures is limited to the balance of some \$2,500,000,000. Present estimates indicate a reduction in expenditures between 1932 and 1933 of about \$370,000,000.

It is estimated that we will close the fiscal year 1932 with a deficit of \$2,123,000,000. The outlook for 1933 is, however, a little more cheerful. Revenue from taxation rises from \$2,094,000,000 to \$2,168,000,000, and total receipts from \$2,359,000,000 to \$2,696,000,000, while, as I have pointed out, expenditures are cut by about \$370,000,000, still leaving, however, an estimated deficit of \$1,417,000,000. The combined deficits for the three years aggregate approximately \$4,400,000,000, and, after deducting debt retirements effected through the sinking fund and by virtue of other statutory requirements, indicate an increase in the public debt of approximately \$3,250,000,000.

There is the situation. Before discussing, however, why something must be done about it, and what that something should be, let us glance briefly at our public-debt figures. These have a direct bearing on the national credit. The problem of inadequate revenue and excessive expenditures can not be considered solely from the standpoint of providing for our immediate needs. The effect which these two diverging factors, unless remedied, will have on the public credit is of infinitely greater concern. Its maintenance is of supreme importance to us all.

Our gross debt, which had fallen steadily from \$25,485,000,000, on June 30, 1919, to \$16,185,000,000, on June 30, 1930, increased to \$17,310,000,000 on November 30, 1931. In addition, during the past 17 months Government securities in the hands of the public were increased by \$850,000,000 through the liquidation of Treasury notes held in the adjusted-service certificate fund in connection with the financing of additional loans to veterans, chiefly as a result of the legislation enacted at the last session of Congress. Of the total interest-bearing debt, aggregating \$17,040,000,000, \$14,310,000,000 consists of long-term bonds, some of which are callable in 1932, others in 1933; after the December financing, about \$2,200,000,000 of open-market issues of certificates and notes having maturities of a year or less; and some \$576,000,000 of 90-day issues of Treasury bills. These last may be rolled over, and offer, therefore, no particular problem. Thanks to three bond issues, made in March, June, and September, and the reduction effected in our short-term debt since January 1, 1931, the difficulties of financing the deficit in the current year have been lessened. The \$2,200,000,000 of certificates and notes can readily be handled in quarterly tax-payment months, particularly as all of the quarter-days, beginning January 1, 1933, are open. But if we are called upon to finance, through borrowing, another huge deficit

in 1933, and all manner of unwise and uneconomic expenditures in the meanwhile, leaving aside for the moment the general effect of the credit of the Government, our difficulties become very serious indeed. In November, 1933, \$6,268,000,000 of Fourth Liberty Loan 4½ per cent bonds become callable. They mature as early as 1938, and this immense issue must be retired or refunded over the comparatively short period of five years.

If, on the other hand, the increase in the public debt can be arrested during the fiscal year 1933, the Treasury's general debt retirement and refunding program, somewhat modified, of course, by the events of the last two years, is definitely manageable.

I do not mean to suggest that the addition of \$3,000,000,000, or even \$4,000,000,000, to our national debt could conceivably impair the national credit. That debt stood at \$25,000,000,000 a decade ago, and the national credit was unimpaired; but I do say, with all the force at my command, that any temporizing with this situation, any failure to take the steps necessary to bring our Budget into balance within a reasonable time, any misuse of the public credit would furnish such evidence of lack of sound financial principles as might well result in shaken confidence and in apprehension lest these conditions prevail long enough to result in real damage. Our long-term bonds are selling to-day at a discount, even those bearing as high an interest rate as 3½ per cent. Allowing for tightened money conditions and for all the unusual circumstances which surround us, there is no doubt but that some of the weakness manifested reflects the response of the investing public to the possibility that we may be confronted with a rapid increase in the public debt and in the volume of Government securities outstanding. There is fear of further huge grants to veterans; there is fear of major drains on the Treasury through uneconomic expenditures; there is fear of growing and unremedied deficits. All of this fear can be swept away only by adherence to sound financial principles and the development of a program of restricted expenditures and of increased revenues, which, if they do call for temporary sacrifices on the part of our people, will, in the long run, bring them infinite benefit.

In this period of deep uncertainty the unimpaired credit of the Federal Government is the most priceless possession of the people of the United States. We assume its existence as we assume the continuance of unlimited supplies of air and sunlight. It has been established through the pursuance of sound fiscal policy in the past and so must it now be preserved. The immediate cost in increased taxes is small in comparison with the immediate and lasting benefit to the Nation.

Let me at this point take the liberty of quoting briefly from the speech of a very great man, the late Senator Dwight Morrow, who, in describing how individuals take their own money with its present command over goods and services and surrender it not only to their own Government but to the governments of nations on the other side of the earth and receive in exchange for it a promise, went on to say:

"The question may be asked: Nothing more than a promise? To which answer may be made: Nothing less than a promise."

"I remember reading some years ago a letter of Thomas Bailey Aldrich written to William Dean Howells. Aldrich is writing of a friend who has just died and whose body is resting in 'a dismal London burying ground.' He says to Howells that it is not worth three pins to be a great novelist or a great general or a great anything else. Then he winds up his letter with this whimsical expression: 'Yet with a sort of hopeful vivacity I have just bought two 5 per cent railway bonds that expire in 1967. Who will be cutting off the coupons long before that? Not I.' There was Aldrich, despondent because of the transitoriness of life, taking his savings and putting them in railway bonds that matured long after his life would end. Every day investors are buying bonds, domestic and foreign, although they have every reason to wonder who will collect the coupons. Human lives stop. Promises go on. The civilized world to-day is run on the basis of a belief in promises. Whatever our doubts about the meaning of modern civilization, we may at least take some comfort in the trust which men show in each other's promises."

Now, this belief in promises, this credit structure of ours, depends to a very great extent upon the confident belief that the Government will meet its financial obligations promptly and punctiliously, on every occasion and in every emergency. Our currency rests predominantly upon the credit of the United States. Impair that credit and every dollar you handle will be tainted with suspicion. The foundation of our commercial-credit system, the Federal reserve banks, and all other banks which depend upon them, are inextricably tied into and dependent upon the credit of the United States Government. Impair that credit to-day, and the day after thousands of development projects—they are still going on—will stop; thousands of business men dependent upon credit renewals will get refusals from their bankers; thousands of mortgages that would otherwise be renewed or extended, will be foreclosed. Merchants who would buy on credit will cancel orders; factories that would manufacture on part capacity at least will close down.

It is true that a distressingly large minority of the wage earners of this country are now out of work. But we must not forget that a majority still have enough work to make a living. We have lost much; but we have infinitely more to lose.

What we still have, what we hope for in the future, are dependent in a large degree upon the preservation, unimpaired, of the credit of the United States. It will cost something to preserve it. The cost is additional taxation. The wealthy, the captains of industry, the bankers, must contribute to meet this cost; but the



small business man, the white-collar man, the farmer, and the wage earner have an equally vital stake in the preservation of the Nation's credit. The new taxes will cut into the incomes of the rich, and they will affect by some small amount the contributions made to the Government by those in moderate circumstances. But the result—the preservation of the Nation's credit—is worth this cost, and for that matter, an even much greater one, to all who are called upon to make some temporary sacrifice.

It is sometimes urged that, since in the course of eleven years prior to the fiscal year 1931 we had retired some \$3,460,000,000 of debt from surplus receipts, we are justified in incurring deficits up to that amount. There is some force to the argument. We have created something in the nature of a reserve which we are warranted in drawing on, certainly to some extent. But there are definite limitations. In the first place, in the early years of the decade a large part of the current surpluses were due to the sale or other disposal of capital assets the returns from which could most properly be applied to debt reduction, and other receipts of a nonrecurring character. In the second place, when the sinking fund was created, it was assumed that loans to foreign governments would be repaid in full, and would be applicable to the retirement of a very large part of our public debt; whereas the amounts due us from abroad have since then been whittled down by the debt-funding agreements. And, finally, even if we assume that we are justified in borrowing up to the full amount of \$3,460,000,000, that sum will be almost absorbed by last year's and this year's deficits.

As the Secretary of the Treasury pointed out in his annual report, there are certain basic principles in the conduct of public finances which can not be disregarded by any nation. First, the sinking fund, designed for gradual retirement of the public debt, must be maintained, and when of necessity the public debt is increasing, the regular sinking-fund appropriations must be accepted in the accounts of the Government as fixed charges against revenues. Second, over a period of years, revenues must be equal to expenditures. Deficiency for a time may be inevitable, but the principle of a balanced budget must never be abandoned; and when emergency conditions upset the balance, every effort must be made to restore it at the earliest possible opportunity.

Bearing constantly in mind that additional taxes should not be so great as to retard the business recovery, upon which the restoration of the normal flow of revenue depends, the Treasury program submitted to the Congress last Wednesday has three definite objectives: First, a reduction in the prospective deficit this fiscal year; second, no further increase in the public debt in the fiscal year 1933; third, a balanced budget in 1934. We do not feel justified in asking for more; we would have failed in our duty had we recommended less.

The attainment of our goals necessitates additional revenue in excess of \$900,000,000 in the year 1933. In the development of a program we considered many forms of taxation. We weighed, for instance, the merits of the general sales or turnover tax, but rejected it, not only because it bears no relation to ability to pay and is regressive in character but because of the enormous administrative difficulties and the almost inevitable pyramiding of the tax in the course of successive sales.

We studied the limited manufacturers' or producers' sales tax, which is being administered with a fair degree of success in Canada. In Canada a tax is imposed at the rate of 4 per cent on the manufacturers' sale price, or the import value of all goods not exempt, which are produced or manufactured in Canada or imported into Canada. Retailers are exempt. It is distinctly not a turnover tax. Practically all raw materials of farms, mines, fisheries, etc., are exempt, as are most small manufacturers and producers, such as custom tailors, shoemakers, plumbers, opticians, et al. The extent of the exemptions is very great. They fill 10 closely printed pages and cover thousands of specific items and classes of items. Pyramiding is avoided by a mechanism of licenses and certificates. Every manufacturer and wholesaler is required to take out a license. If one licensed manufacturer buys from another licensed manufacturer or licensed wholesaler, he notes his certificate number on the order; this is noted on the sales invoice, and the sale is exempt.

When the last licensed taxpayer sells to an unlicensed purchaser the tax is collected. Administrative discretion is granted to an extent unheard of in this country and which I doubt whether our Congress would ever be willing to grant. Not only has the Minister of Finance final power to fix the wholesale price or value to which the tax rate is applied in uncertain cases, not only are deductions and refunds discretionary, but from 1922 until 1931 the governor in council had power to exempt articles from the sales tax. The success of the tax appears to be due not only to good administration but to this very wide administrative discretion. The tax is unquestionably passed on and adds, therefore, to the cost of living.

With some 200,000 manufacturing establishments in the United States, our much more extensive and complicated industrial mechanism, our tendency to set out administrative procedure with almost meticulous accuracy in our statutes, and our reluctance to grant administrative discretion or the authority to administrative officers to make final decisions, it is more than doubtful whether the Canadian sales tax would meet with the success in our country than it has across the border. Certain it is that many months would elapse before the necessary administrative machinery could be set up and a number of years before such a new form of taxation could be firmly established in this country. And we are in need of additional revenue now.

In any event, we concluded that, on the whole, it is wiser for us to resort to those forms of taxation with which we have had experience and are thoroughly familiar rather than to embark on new and untried ventures. If this conception is sound, we have but to take a step backward and to relinquish temporarily the benefits of the tax reductions effected in the period of expanding revenues. It isn't necessary to retrace many steps and to return either to the revenue act of 1918 or of 1921, but what we desire can be accomplished by returning in principle to the general plan of taxation existing under the revenue act of 1924, with such changes as are appropriate in the light of existing conditions.

The advantages of such a program are manifest. From an administrative standpoint we have not only had the necessary experience but we are so organized as to take on this new burden without difficulty. From the standpoint of the taxpayer and of the Nation there is no occasion for alarm, for we are simply reimposing upon ourselves for the time being taxes which we didn't find too burdensome and the existence of which proved no impediment to business expansion and growing prosperity.

It is unnecessary to describe the program in detail, for I doubt not all of you have read it with interest and I trust without concern. Generally speaking, it provides for the retention and in some instances an increase in existing excise taxes; a restoration of the manufacturers' sales tax on automobiles, trucks, and accessories; of the stamp tax on conveyances of realty; and of the tax on telephone, telegraph, radio, and cable messages; and the imposition of new taxes on manufacturers' sales of radio and phonograph equipment and on checks and drafts. The rate of tax on corporate income is increased but slightly, from 12 to 12½ per cent. We have refrained from recommending the restoration of the capital-stock tax, which was in the 1924 law, not only because it was an unfair and unequal tax, involving most difficult administrative problems, but with a view to placing not too great a burden on business at the present time. A return to the 1924 act necessarily involves a sharp increase in the rates applicable to individual incomes and the taxing of many taxpayers who since 1924, owing to very high exemptions, have been relieved from the obligation of contributing to the support of their Government, though enjoying a very genuine ability to contribute certainly the very moderate amounts demanded by the 1924 act.

When the 1924 act was before the House of Representatives, no one fought harder than I did to reduce the rates to the point later established by the 1926 act. I believed then, and I believe now, that under normal conditions a 20 per cent rate is sounder than a 40 per cent rate, not only from the standpoint of our general economy but, in the long run, from the standpoint of productivity. But these are not normal times. There is an emergency, and we are proposing emergency measures to meet it. Men who still have very large incomes can not object, under the circumstances, to contributing largely. Men with comparatively large incomes should be willing to do their share, and those in more moderate but comfortable circumstances will surely feel that they can spare something for the support of their Government. I am confident that, if only there be a proper understanding of the necessities of the case, the temporary sacrifices demanded will be met, if not joyfully, at least wholeheartedly and with philosophy and good humor.

After all, even in these days which appear so dark, we are still fortunate as contrasted with other nations. After a hard-boiled Treasury has done its worst—and when you gloomily view the approach of the Ides of March, I suggest that you place these figures on your desk as you make out your income-tax return: A married man with one dependent, and with an income of \$5,000, will pay, under our Treasury's proposal, \$31.50 in taxes; a man similarly situated in Great Britain pays, under Mr. Snowden's latest budget proposals, \$650. A man with an income of \$10,000 pays \$153 in the United States and \$1,800 in Great Britain. One with \$100,000 pays \$22,030 in the United States and \$48,000 in Great Britain. We would grant an exemption of \$1,500 for a single man, \$2,500 for a married man and \$400 for each dependent. Great Britain's exemptions are as follows: For a single man, \$485; for a married man, \$730; for the first dependent child, \$245; and for each other child, \$195.

If our program is adopted, it is estimated that we shall obtain during the full fiscal year 1933 an additional \$60,000,000 from corporations, \$185,000,000 from individual income taxpayers, \$11,000,000 additional from estates, and \$514,000,000 additional from miscellaneous internal-revenue taxes. In addition, we have recommended that postal rates be so adjusted that the Post Office Department's revenues will cover, by a reasonable margin, its expenditures, exclusive of such special services as the cost of free postal services performed for Government departments and agencies, the excess of the cost of air mail services over revenues, and the cost of special rates paid to ocean mail carriers under American registry. There is no reason why the public should not pay the cost of the service it receives from the Post Office Department, or why the latter, as an essentially business institution, should not be self-supporting.

I have no illusions as to the feelings with which a program of drastic tax increases is received, and I can assure you that it is anything but a pleasant task to participate in the preparation and submission of such a program, but no man, whether he be a Treasury official or a taxpayer, can open-mindedly examine the existing situation and not reach the conclusion that the alternative for increased taxation is infinitely worse for the Nation. I find some consolation in the thought that the contribution to be made by people with moderate incomes is still fairly light, and



that those whose incomes remain in the upper brackets in times like these are in such a preferred class as to occasion little concern for them, though if circumstances permitted I should much prefer to see them buy bonds rather than pay additional income taxes. When we come to the miscellaneous group, the rates are not so high as to interfere with the flow of goods or services, or to constitute a real burden on those who buy or enjoy them. Can we seriously complain if cigarettes and radios and admissions to places of amusement—yes, even seminecessities such as automobiles—are to cost a trifle more, or if we are to pay 2 cents for the privilege of using checks and an additional cent on transfer of securities? These are not intolerable burdens, particularly when we are asked to assume them to meet the necessities of a real emergency.

But, let me add that if the people of the United States make this sacrifice and furnish almost a billion dollars of additional funds to their Government, they have the right to insist, and I hope that they will, that not one penny is expended extravagantly, politically, or unwisely, but that just as enforced rigid economy prevails throughout the country so will it be observed in Washington.

Let me close with a general observation or two. The problems at home and abroad which appear so great are not insoluble. They will yield readily enough to a resolute, courageous, and intelligent attack. The real difficulties in the present situation are those inherent in human nature, in the element of fear which seems to possess the souls of men in the face of an uncertain future, and in fixed conceptions and attitudes. There is more to fear from frozen minds than frozen assets. We can not look to governments or to a few leaders. The necessary measures must be taken and the recuperative forces must be set in motion by the great masses of the people themselves.

But if the nations and the individuals who compose them, laying aside preconceived notions, prejudices, and above all, fear, will face the realities of the situation and will look to the future rather than to the past, then we can fairly hope to emerge from this deep valley at a comparatively early period. There must, of course, be guidance and leadership, but the real responsibility rests on each and every one of us, and our failure to meet our daily problems with intelligence and courage is not only a betrayal of others but of our own cause.

#### CONTROL OF LIQUOR TRAFFIC

Mr. ALDRICH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting an article printed in the Providence Bulletin, which contains an interview with me on a constitutional amendment.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

Mr. UNDERHILL. Reserving the right to object, it is understood that these are the gentleman's own remarks?

Mr. ALDRICH. Yes.

There was no objection.

Mr. ALDRICH. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following article from the Providence Bulletin which contains an interview with me on a constitutional amendment:

[The Providence Bulletin, November 30, 1931]

#### ALDRICH TO OFFER NEW PLAN TO CONTROL LIQUOR TRAFFIC—WOULD SUBMIT COMMISSION IDEA TO ALL STATES

WASHINGTON, November 29.—Regulation and control of the liquor traffic by a method never before proposed is provided in a resolution which Representative RICHARD S. ALDRICH, of Rhode Island, will introduce on the opening day of Congress. It calls for submitting to the States a constitutional amendment as an addition to the eighteenth amendment, but on altogether new lines.

Under the amendment the States would be divided into nine groups or districts, from each of which would be elected a commissioner to serve for eight years, the nine commissioners making up a committee that would have authority to license any State making application to manufacture, sell, or transport liquor under such terms and conditions as the State may desire and the commission may prescribe.

Such a commission would be unlike any governmental body in existence in this country. Its members would be elected by popular vote in a form of Federal election not now existing, for all the States in a group would vote for choice of identical candidates, entailing a measure of Federal supervision. The districts would contain as nearly as possible equal populations.

Under the Aldrich plan the provisions of the eighteenth amendment and all laws pertaining to the subject, whether enacted thereunder or not, would remain in effect throughout the United States and its possessions, except when modified by licenses issued by the commission to the several States. After a State had applied for and obtained a license the provisions of the license would become the law of the licensee State in regard to the manufacture, transportation, and sale of all liquors specified in the license. If a State wanted to limit alcoholic beverages to wines and beer, its license could be so worded.

The revenue derived by the Federal Government under this amendment would be obtained from license fees as fixed by the commission and would be paid by the licensed State, not by any

individual. In a State which had obtained a license, congressional enactments inconsistent with the provisions of the license would not be operative.

Congress would retain the power to fix the compensation of the commissioners, to impeach and try the commissioners, to judge election returns and qualifications of commissioners, to decide the time and manner of holding the elections, and to appropriate money for the expenses of the commission. Beyond these powers the liquor question would be removed entirely from Congress in the States receiving licenses.

"The chief objects of the amendment which I propose," said Representative ALDRICH to-day, "are:

"1. To modify the eighteenth amendment to the Constitution so that the States electing so to do may adopt a more liberal system, and

"2. To take the liquor question out of Congress, at the same time retaining a Federal supervision over the action of the States in regard to manufacture, transportation, and sale of intoxicating liquors.

"I believe there are numerous reasons why this question should be taken out of Congress. An important one is this: With the growth of the country and continual expanding of the Federal jurisdiction over new matters, the burdens of Members of Congress should be reduced rather than increased, if we expect to maintain a high standard of efficiency in the legislative branch of the Government.

"Another reason may be stated thus: The voter in casting his vote for President or Members of Congress should be able to express preferences on the great economic questions which are confronting the country to-day without having them confused by injection of the prohibition issue into every campaign.

#### OUT OF HANDS OF CONGRESS

"Thus I propose taking the matter out of the hands of Congress, except in regard to a few matters of detail, and placing Federal supervision in the hands of a commission to be elected by the people.

"In drafting the amendment a great number of technical constitutional questions have arisen. Most of these, I believe, have been solved in a satisfactory manner. A few necessarily have been left for further consideration.

"An attempt has been made, and I think successfully, to meet the specifications of desirable means of regulation set forth in the report of the Wickersham Commission. Control of the traffic is lodged in the Federal license commission, and the initiative is lodged with the States.

"Under this plan it will be possible for the commission to permit a State to adopt the Swedish system, the Norwegian system, the Danish system, or any one of the Canadian systems, with any modifications which the commission may consider desirable. They may try out one system in one State and another system in another, and in that manner obtain valuable information as to the desirability of the various systems, at the same time conserving the benefits of the present situation in those States where conditions are satisfactory."

#### PROVISIONS FOR ELECTIONS

A provision of the amendment is that Congress, in setting the time for the first election of commissioners, shall arrange it so that they will not be chosen in an election for which electors for President are elected. The plan is to divide the nine chosen at the first election into two classes, one class of five to serve eight years and the other class of four to serve four years, their successors to serve, however, for eight. Thus there would be elections every four years—nonpresidential years—but in different sets of districts.

The nine districts specified in the amendment are arranged in accordance with the 1930 census and with the rules set up in the amendment itself that each district "shall be composed of contiguous and compact territory and such districts shall be as nearly equal in population as shown by the census as practicable." It is provided, however, that all parts of a State shall be in the same district. After each census there shall be a regrouping if necessary to preserve equality in population.

#### PROPOSED DISTRICTS

The proposed arrangement of the districts to begin with follows: First (population 8,166,341): Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, and Connecticut.

Second (population 12,588,066): New York.

Third (population 14,397,933): New Jersey, Pennsylvania, and Delaware.

Fourth (population 15,116,345): Ohio, Indiana, Kentucky, and Tennessee.

Fifth (population 15,411,985): Illinois, Wisconsin, and Michigan. Sixth (population 15,151,397): Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska, Kansas, and Arkansas.

Seventh (population 15,968,340): Maryland, Virginia, West Virginia, North Carolina, South Carolina, Georgia, and Florida.

Eighth (population 14,978,417): Louisiana, Oklahoma, Texas, Alabama, and Mississippi.

Ninth (population 11,896,222): Montana, Idaho, Wyoming, Colorado, New Mexico, Arizona, Utah, Nevada, Washington, Oregon, and California.

In the preparation of his proposed amendment Representative ALDRICH had the assistance of the legislative council of the House of Representatives and of other qualified authorities.



## TEXT OF RESOLUTION

The text of the resolution follows: Joint resolution proposing an amendment to the Constitution amending the eighteenth amendment.

*Resolved, etc.,* That the following is proposed as an amendment to the Constitution, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States:

"That the eighteenth article of amendment is amended by adding at the end thereof the following new sections:

"SEC. 4. (a) There shall be a Federal license commission which shall be composed of nine commissioners who shall have the qualifications of Representatives in Congress and who shall hold their offices during the term of eight years, commencing on the same date as the terms of Representatives. After each census the commission shall divide the States of the United States into nine districts, each of which shall be composed of contiguous and compact territory, and such districts shall be as nearly equal in population as shown by such census as practicable. All parts of a State shall be in the same district. One commissioner shall be elected from each of such districts, and the electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature. A commissioner elected to fill a vacancy shall serve only for the unexpired part of the term of his predecessor.

## POWERS OF COMMISSION

"(b) The commission shall have the sole power:

"(1) To grant a license to any State applying under authority of law thereof authorizing such State to provide for the manufacture, sale or transportation of any or all intoxicating liquors into, within, or from, the importation thereof from any place outside the jurisdiction of the United States from such State. Licenses shall be granted for terms of 10 years, but the commission may refuse to grant any such license or may grant it subject to such conditions as the commission deems advisable. Each such license shall contain such provisions for the assessment by the commission and payment to it by the State of such fines and penalties as the commission deems necessary to enforce compliance by the State with the terms of the license and shall contain provisions under which the commission shall raise revenue by collecting such fees for the issuance of and operations under the license and by collecting from the State in respect of intoxicating liquors provided for in the license such taxes as the commission deems advisable. All sums received by the commission from fees, fines, penalties, and taxes shall be covered into the Treasury of the United States. The commission may revoke or suspend any license, in whole or in part, for substantial or persistent violation of the terms of the license.

"(2) To renew or modify any license issued by the commission except that no license shall be renewed or modified except upon application by the State under the authority of law thereof.

"(3) To make such exemptions from the operation of the law of the United States or of any State as, in the judgment of the commission, are necessary to give effect to any license.

"(4) To regulate the procedure of the commission, appoint, fix the compensation of, and remove employees of the commission, and provide for all matters relating to the administration of its affairs.

## POWERS OF CONGRESS

"SEC. 5. (a) Congress shall have power to:

"(1) Provide, by law, for the payment of compensation to the commissioners which shall not be diminished during their continuance in office.

"(2) Impeach and try impeachments of commissioners, but the same conditions shall apply thereto as in the case of other officers of the United States.

"(3) Judge the elections, returns, and qualifications of commissioners.

"(4) Fix by law the times, places, and manner of holding elections for commissioners.

"(5) Appropriate by law money out of the Treasury for the expenses of the commission.

"(b) Neither Congress nor the States shall have power to tax the exportation of any intoxicating liquors from any State to any place outside the jurisdiction of the United States, nor shall any State have power to tax the importation of any intoxicating liquors from any place outside the jurisdiction of the United States, but Congress shall have power to tax intoxicating liquors so imported, but shall not have power to tax any other intoxicating liquors provided for in any license. The commission shall not have power to tax any State in respect of any intoxicating liquors which, under this section, such State can not tax.

"SEC. 6. Places (not States or parts thereof) subject to the jurisdiction of the United States shall, for the purposes of sections 4 and 5, be considered States except that no such place shall be included for the purpose of establishing districts or electing commissioners therefrom. The legislative authority of any such place, if it has a legislature, shall have the same powers as a State legislative authority in connection with any matter under such sections, but laws enacted in pursuance of such powers shall have no effect if disapproved by Congress. In case such place has no legislature, Congress shall exercise such powers.

## ELECTION TIMES TO BE SET

"SEC. 7. Congress shall fix the time of electing the commissioners first elected so that they will not be elected at an election

at which electors for President are elected. Until the commission has established districts, the districts shall be as follows:

"District No. 1—Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, and Connecticut;

"District No. 2—New York;

"District No. 3—New Jersey, Pennsylvania, and Delaware;

"District No. 4—Ohio, Indiana, Kentucky, and Tennessee;

"District No. 5—Illinois, Wisconsin, and Michigan;

"District No. 6—Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska, Kansas, and Arkansas;

"District No. 7—Maryland, Virginia, North Carolina, South Carolina, Georgia, and Florida;

"District No. 8—Louisiana, Oklahoma, Texas, Alabama, and Mississippi; and

"District No. 9—Montana, Idaho, Wyoming, Colorado, New Mexico, Arizona, Utah, Nevada, Washington, Oregon, and California.

"Immediately after the commissioners shall be assembled in consequence of the first election they shall be divided into two classes of five and four, respectively, and the term of those of the smaller class shall expire at the end of the fourth year, but their successors shall hold their office for eight years."

## THE AMERICAN TRADITION OF HOME RULE

Mr. ANDREW of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my remarks by including an address which I gave over the radio under the auspices of the Sentinels of the Republic upon the subject of home rule in America.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. ANDREW of Massachusetts. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the text of my address, as follows:

The Sentinels of the Republic, under whose auspices I am privileged to speak to-day, are a group of volunteers endeavoring to preserve for our country the American tradition of home rule. Like sentinels in the Army, they stand at the doors of Congress, challenging the legislative proposals that continually seek entry. When they find these proposals at variance with that American tradition, they resist their passage and, if necessary, sound an alarm for aid in arresting them. The mission of the Sentinels of late has become increasingly difficult.

During the World War the Government in Washington assumed emergency command over almost everything, and in the years that have followed the country has been slow in restoring to State and local control many of the activities which in war time were brought under national rule. And now, in the midst of economic depression, our traditional system of local self-government is being subjected to still further strain from a multitude of schemes to widen the sphere of Federal control under the guise of temporary relief, but which are likely to persist long after the emergency has passed. The sentinels to-day face greater obstacles than ever before. Their duties require alert and increasing vigilance. They merit our cooperation and the support of every American who cherishes our institutions and our heritage of freedom.

## HISTORICAL BASIS FOR HOME RULE IN AMERICA

The American policy of home rule is the outgrowth of our country's democratic beginnings, but it also has its justification in experience and common sense. Our American system of government differs in its historical evolution from those of European countries with monarchical and military traditions. Unlike the governments of the Old World, ours was not founded upon the theory of the divine right of kings and was not developed through the urge for conquest or the necessity for defense. It was not derived from a highly centralized incarnation of power which had granted limited authority to subordinate agencies. On the contrary, its radiation of power has always flowed from the parts to the center rather than from the center outward.

The elements from which it grew were local town meetings, where all of the people took part. They in turn established joint representation in colonial or State legislatures to carry on the business in which they had a common interest, and eventually, when the various States sought to throw off the yoke of foreign control, these States federated their forces in a combined effort to accomplish that particular purpose. After achieving independence they decided to remain united, but with such limitation and definition of the central government's field of activity as would protect the individual States from Federal encroachments upon their original authority. In order to insure this from too easy chance of change, they adopted a National Constitution, deliberately conveying to the Federal Government control over only such matters as were essentially national and which could not be well looked after by the individual States. The powers assigned to national control included the handling of our foreign relations, the maintenance of the Army and Navy, the control of our monetary system, the administration of the post offices, and the regulation of interstate and foreign commerce, but all powers not specifically delegated to the central Government were expressly reserved to the States or to the people. This was the first system of government in the world in which sovereign powers were so divided, part to be exercised by the central body and part to be exercised locally. For the first



time in history a government was created with a clear distribution of functions between the Federal, State, and local members. The Federal Government had power to deal only with international and interstate business. The State governments reserved control over activities that were not of an international or interstate character, while the county and municipal governments, under many of the State constitutions, still remained in charge of matters primarily of local interest. The United States thus began its national history with a larger measure of home rule than any other important country.

There are people to-day inclined to the opinion that with changing conditions, the original allocation of powers as defined in the Federal Constitution and in the constitutions of the several States, has ceased to have much merit and ought to be abandoned. They would turn over to the State governments control over many of the things which have been administered by the towns and cities, and they would revise the Federal Constitution so as to give the National Government free scope to manage almost everything that its legislators and officials might choose to regulate or administer. The Sentinels of the Republic believe, however, that the American system of home rule is not to be regarded as a historic survival which has outlived its day, but that it is fundamentally reasonable and advantageous and ought to be watchfully safeguarded from insidious attack.

#### HOME RULE ENCOURAGES POPULAR INTEREST IN GOVERNMENT

Only through the preservation of home rule can we hope to maintain popular interest in government, and everyone agrees that democratic government can succeed only in proportion as the people take an active interest and feel a sense of responsibility in its regard. The deepest interest and the liveliest sense of responsibility which the average human being feels center about his family and his home. In order to provide for them, he gives most of his thought and energy and strength. Somewhat less active, but still strong, is his concern for the community in which he lives, its schools, its hospitals, its police, water supply, sewerage, and other public undertakings.

As the circle widens, however, the citizen's sense of participation and obligation continually dwindles in intensity. It diminishes as the distance increases, and as the individual's power to affect results decreases. In his town or ward his influence is perhaps measured by 1 vote in several thousand; in his State he may have only 1 vote in a million; in the Nation barely 1 in 40,000,000. He follows the doings of his municipal council rather closely. He knows less about the transactions of the State legislature, and as for the daily grist of legislation in Washington he knows virtually nothing, except when occasional measures, frequently by no means the most important, get into the headlines.

It follows then that the more you transfer of control to a distant center like the Capital in Washington, the more negligent people become of their duties as citizens, the less informed and careful they are about the character of the laws that are being adopted, and the less concerned with their efficient administration. Government, especially in a country as vast as ours, runs the risk of becoming more and more a system of control imposed from the remote outside in which the average citizen feels that he has little influence and slight incentive to take part. But conversely, the more you preserve of home rule and local control in public affairs the more you keep alive a general interest in government, in the efficiency of the officials selected, in the type of legislation being enacted, and in the administration and observance of the laws.

This advantage of home rule has been all too often overlooked by well-intentioned people who try to have our National Government take charge of a thousand and one matters that lie close to our individual lives, and that have hitherto been looked after by State or local governmental agencies.

#### HOME RULE PROMOTES ECONOMY IN GOVERNMENT

Then, again, it is only through the preservation of home rule that one can look for economy in government. In extending the activities of the Federal Government the tendency often is to develop a Federal administration running parallel to those already operating in the States. This results in two sets of laws governing the same subjects, though not always conforming one with the other. It creates two sets of bureaus, Federal and State, doing much the same things, with a twofold machinery for their management and enforcement. It doubles the necessary personnel and expense. With the augmentation of Federal authority in recent decades, the number of Federal officeholders has continually multiplied, while the State personnel has increased at the same time. During the past 50 years the number of people on the Federal pay rolls has grown about four times as rapidly as the population, and the cost of the purely civil establishment (leaving out of account the Army and Navy, the enormous expenditures on behalf of veterans, and the payments on the public debt) is to-day nearly five times as much for every man, woman, and child in the country as it was 50 years ago. Yet during the same period the per capita expenditures of the States have likewise been steadily mounting, and State employees have also increased in number much more rapidly than the population. The cost of government in the United States to-day is close to an eighth of our estimated national income. It was a tenth not long ago, and not long before that it was a twelfth. What are we headed for, and whither is it all tending, except toward an impossibly expensive and overgovernmentalized nation, composed in the main of Federal and State officials and their agents and employees?

So long as the business of government is kept under the watchful eyes of those who bear its cost, there is a natural check upon

overlapping and duplicating expenditures, but when spending bodies are established far from the tax-paying public, this brake upon needless expense ceases to function. The Federal Government can spend ten millions here or fifty millions there, or a hundred millions somewhere else, without eliciting any critical scrutiny from the average citizen, or any perception of the fact that this expenditure may be in large part a superfluous duplication by the Government in Washington of expenditures for a similar purpose on the part of the several States. It is, therefore, a dictate of prudence to challenge and examine carefully every proposal to extend Federal activity in fields that have belonged to the States.

#### HOME RULE PRESERVES RESPECT FOR GOVERNMENT

There is a widely current illusion that the Federal Government is more effective in the exercise of its powers than are the governments of the States. Many people seem to think that there is something almost magical about the Government in Washington, that if State and local laws are inadequate, Washington can frame laws upon every conceivable subject that are perfect, that if State and local bureaus and officials are incompetent, Washington bureaus and appointees will be efficient and full of energy, that if State and local laws are not enforced, all that need be done is to pass laws in Washington, and these laws will be everywhere observed and respected. Yet, after all, the people in Washington also have their human limitations. They are not omniscient, nor are they omnipotent. Their days are also limited to 24 hours. It is a good deal to expect of them to frame appropriate laws to govern every activity of people's lives, everything that people buy and sell, everything that they use or abuse, everything that they enjoy, everything that they may choose to do. And it is still more presumptuous to assume that the bureaus in Washington and their agents throughout the country can enforce these laws in all localities, regardless of whether or not the preponderant opinion of the citizens approves of them.

Federal laws, according to the Constitution, must apply uniformly throughout the length and breadth of the land. They allow of no adjustment to local interests and no adaptation to local opinions. On that account many well-meaning people think that they are preferable to State laws and offer a quicker and easier method of getting rid of what they consider local abuses and deficiencies in legislation. But unless these laws appeal to the judgment and conscience of good citizens in all sections of the country the attempt to coerce uniformity by resort to the central government can not but breed local dissension and weaken respect for that government's authority. In a country as vast as our own, and with as wide diversities of local customs, opinions, and interests, by adopting one rigid and inflexible Federal measure after another, the tendency is to remove the Federal Government further and further from the people; to make it less and less responsive to their will and more and more the object of their animosity.

The men and women who settled the Thirteen Colonies came to America to escape the oppression of strongly centralized governments in which they had no voice. The people of our day can not emigrate to another world, but unless the essential principles of government by the consent of the governed can be maintained here the time may come when they will seek some other way to reestablish home rule.

#### ELECTION OF COMMITTEES

Mr. RAINEY. Mr. Speaker, I offer a resolution, which I send to the Clerk's desk.

The Clerk read the resolution, as follows:

Resolution offered by Mr. RAINEY:

#### House Resolution 61

Resolved, That the following Members be, and they are hereby, elected members of the following standing committees of the House of Representatives, to wit:

Accounts: William J. Driver, Arkansas; Samuel Rutherford, Georgia; John W. Boehne, jr., Indiana.

Agriculture: Marvin Jones, Texas (chairman); Hampton P. Fulmer, South Carolina; William W. Larsen, Georgia; William L. Nelson, Missouri; Wall Doxey, Mississippi; D. D. Glover, Arkansas; John N. Norton, Nebraska; John R. Mitchell, Tennessee; Cap R. Carden, Kentucky; John W. Flannagan, jr., Virginia; Harry P. Beam, Illinois; James G. Polk, Ohio; Richard M. Kleberg, Texas.

Banking and Currency: Henry B. Steagall, Alabama (chairman); Charles H. Brand, Georgia; William F. Stevenson, South Carolina; T. Alan Goldsborough, Maryland; Anning S. Prall, New York; Jeff Busby, Mississippi; Michael K. Reilly, Wisconsin; Frank Hancock, North Carolina; Clyde Williams, Missouri; Percy H. Stewart, New Jersey; Wesley E. Disney, Oklahoma; William L. Tierney, Connecticut.

Census: Ralph F. Lozier, Missouri (chairman); John E. Rankin, Mississippi; René L. DeRouen, Louisiana; O. H. Cross, Texas; John H. Kerr, North Carolina; Andrew L. Somers, New York; Thomas A. Yon, Florida; Ralph Gilbert, Kentucky; William H. Larrabee, Indiana; Bernhard M. Jacobsen, Iowa; William L. Fiesinger, Ohio; Lynn S. Hornor, West Virginia.

Civil Service: Lamar Jeffers, Alabama (chairman); William I. Strovich, New York; Claude A. Fuller, Arkansas; Robert Ramspeck, Georgia; John J. Douglass, Massachusetts; René L. DeRouen, Louisiana; Wright Patman, Texas; James F. Fulbright, Missouri; John W. Boehne, jr., Indiana; Howard W. Smith, Virginia; Brent Spence, Kentucky.



Claims: Loring M. Black, jr., New York (chairman); J. Bayard Clark, North Carolina; Robert Ramspeck, Georgia; Samuel Dickstein, New York; Ralph F. Lozier, Missouri; Fletcher B. Swank, Oklahoma; John E. Miller, Arkansas; Howard W. Smith, Virginia; John W. Boehne, jr., Indiana; Byron B. Harlan, Ohio.

Coinage, Weights, and Measures: Andrew L. Somers, New York (chairman); Edgar Howard, Nebraska; John J. Douglass, Massachusetts; Bolivar E. Kemp, Louisiana; Robert A. Green, Florida; Vincent L. Palmisano, Maryland; John J. Cochran, Missouri; William H. Larrabee, Indiana; William L. Fiesinger, Ohio; Paul J. Kvale, Minnesota.

Disposition of Useless Executive Papers: Robert A. Green, Florida (chairman).

District of Columbia: Mary T. Norton, New Jersey (chairman); Vincent L. Palmisano, Maryland; Wright Patman, Texas; Howard W. Smith, Virginia; Allard H. Gasque, South Carolina; Loring M. Black, jr., New York; J. Bayard Clark, North Carolina; Ralph Gilbert, Kentucky; Lynn S. Hornor, West Virginia; Byron B. Harlan, Ohio.

Education: John J. Douglass, Massachusetts (chairman); Loring M. Black, jr., New York; Vincent L. Palmisano, Maryland; René L. DeRouen, Louisiana; La Fayette L. Patterson, Alabama; Martin J. Kennedy, New York; Edward A. Kelly, Illinois; John H. Overton, Louisiana; William H. Larrabee, Indiana; Joseph B. Shannon, Missouri; Paul J. Kvale, Minnesota.

Election of President, Vice President, and Representatives in Congress: Samuel Rutherford, Georgia (chairman); Lamar Jeffers, Alabama; Ralph F. Lozier, Missouri; Patrick J. Carley, New York; Lindsay C. Warren, North Carolina; Wilburn Cartwright, Oklahoma; William L. Fiesinger, Ohio; Lynn S. Hornor, West Virginia.

Elections No. 1: J. Bayard Clark, North Carolina (chairman); Robert S. Hall, Mississippi; Jere Cooper, Tennessee; Claude A. Fuller, Arkansas; Byron B. Harlan, Ohio; Martin Dies, Texas.

Elections No. 2: Joseph A. Gavan, New York (chairman); John J. Douglass, Massachusetts; Lindsay C. Warren, North Carolina; O. H. Cross, Texas; William P. Cole, jr., Maryland; John H. Overton, Louisiana.

Elections No. 3: John H. Kerr, North Carolina (chairman); Butler B. Hare, South Carolina; John McDuffie, Alabama; Guinn Williams, Texas; John E. Miller, Arkansas; Howard W. Smith, Virginia.

Enrolled Bills: Claude V. Parsons, Illinois (chairman); Mell G. Underwood, Ohio; J. Bayard Clark, North Carolina; John W. Boehne, jr., Indiana.

Expenditures in the Executive Departments: John J. Cochran, Missouri (chairman); Allard H. Gasque, South Carolina; O. H. Cross, Texas; John W. Moore, Kentucky; Riley J. Wilson, Louisiana; Guinn Williams, Texas; William M. Whittington, Mississippi; Glenn Griswold, Indiana; John H. Overton, Louisiana; Charles H. Martin, Oregon; John E. Miller, Arkansas.

Flood Control: Riley J. Wilson, Louisiana (chairman); William J. Driver, Arkansas; William M. Whittington, Mississippi; Jere Cooper, Tennessee; John W. Moore, Kentucky; Fletcher B. Swank, Oklahoma; James F. Fulbright, Missouri; Glenn Griswold, Indiana; John H. Overton, Louisiana; Byron B. Harlan, Ohio.

Foreign Affairs: J. Charles Linthicum, Maryland (chairman); Sam D. McReynolds, Tennessee; Sol Bloom, New York; Luther A. Johnson, Texas; Ruth Bryan Owen, Florida; Effiegene Wingo, Arkansas; Charles West, Ohio; Norton L. Lichtenwalner, Pennsylvania; J. Walter Lambeth, North Carolina; Charles A. Karch, Illinois; John W. Fishburne, Virginia; Stephen A. Rudd, New York.

Immigration and Naturalization: Samuel Dickstein, New York (chairman); Samuel Rutherford, Georgia; John W. Moore, Kentucky; John M. Evans, Montana; Robert A. Green, Florida; John H. Kerr, North Carolina; Lamar Jeffers, Alabama; Mell G. Underwood, Ohio; Vincent L. Palmisano, Maryland; Eugene B. Crowe, Indiana; Martin Dies, Texas.

Indian Affairs: Edgar Howard, Nebraska (chairman); John M. Evans, Montana; Wilburn Cartwright, Oklahoma; Joe L. Smith, West Virginia; William P. Connery, jr., Massachusetts; Samuel Dickstein, New York; William I. Sirovich, New York; Bernhard M. Jacobsen, Iowa; Dennis Chavez, New Mexico; Edward A. Kelly, Illinois.

Insular Affairs: Butler B. Hare, South Carolina (chairman); Guinn Williams, Texas; Joe L. Smith, West Virginia; John McDuffie, Alabama; Ralph F. Lozier, Missouri; Bolivar E. Kemp, Louisiana; Wilburn Cartwright, Oklahoma; O. H. Cross, Texas; Robert S. Hall, Mississippi; Ralph Gilbert, Kentucky; John E. Miller, Arkansas; William H. Larrabee, Indiana.

Interstate and Foreign Commerce: Sam Rayburn, Texas (chairman); George Huddleston, Alabama; Clarence F. Lea, California; Robert Crosser, Ohio; Parker Corning, New York; Jacob L. Milligan, Missouri; James T. Igoe, Illinois; Alfred L. Bulwinkle, North Carolina; Ashton C. Shallenberger, Nebraska; Augustine Lonergan, Connecticut; Virgil Chapman, Kentucky; Paul H. Maloney, Louisiana; Courtland C. Gillen, Indiana.

Invalid Pensions: Mell G. Underwood, Ohio (chairman); Ralph F. Lozier, Missouri; Andrew L. Somers, New York; Joe J. Smith, West Virginia; John M. Evans, Montana; Edgar Howard, Nebraska; William L. Fiesinger, Ohio; Kent E. Keller, Illinois; William H. Larrabee, Indiana; Bernhard M. Jacobsen, Iowa.

Irrigation and Reclamation: Robert S. Hall, Mississippi (chairman); William C. Lankford, Georgia; Miles C. Allgood, Alabama; Allard H. Gasque, South Carolina; O. H. Cross, Texas; James F. Fulbright, Missouri; Dennis Chavez, New Mexico; John E. Miller, Arkansas; John H. Overton, Louisiana; Charles H. Martin, Oregon.

Judiciary: Hatton W. Sumners, Texas (chairman); Andrew J. Montague, Virginia; Fred H. Dominick, South Carolina; Henry St.

George Tucker, Virginia; Tom D. McKeown, Oklahoma; Gordon Browning, Tennessee; Emanuel Celler, New York; Frank Oliver, New York; William V. Gregory, Kentucky; Malcolm C. Tarver, Georgia; Francis B. Condon, Rhode Island; Zebulon Weaver, North Carolina; William H. Dieterich, Illinois.

Labor: William P. Connery, jr., Massachusetts (chairman); Mary T. Norton, New Jersey; Robert A. Green, Florida; Robert Ramspeck, Georgia; Martin J. Kennedy, New York; John W. Moore, Kentucky; Joseph B. Shannon, Missouri; Glenn Griswold, Indiana; Bernhard M. Jacobsen, Iowa; Lynn S. Hornor, West Virginia; Kent E. Keller, Illinois.

Library: Ralph Gilbert, Kentucky (chairman); Lindsay C. Warren, North Carolina; Kent E. Keller, Illinois.

Memorials: John H. Morehead, Nebraska (chairman); Mary T. Norton, New Jersey.

Merchant Marine and Fisheries: Ewin L. Davis, Tennessee (chairman); Schuyler Otis Bland, Virginia; Clay Stone Briggs, Texas; George W. Lindsay, New York; Oscar L. Auf der Heide, New Jersey; Bolivar E. Kemp, Louisiana; William M. Whittington, Mississippi; William I. Sirovich, New York; Robert Ramspeck, Georgia; Fletcher B. Swank, Oklahoma; Arthur P. Lamneck, Ohio; Robert D. Johnson, Missouri.

Military Affairs: Percy E. Quin, Mississippi (chairman); John J. McSwain, South Carolina; Lister Hill, Alabama; James M. Fitzpatrick, New York; Jed Johnson, Oklahoma; Numa F. Montet, Louisiana; Andrew J. May, Kentucky; Samuel B. Pettengill, Indiana; Edward H. Crump, Tennessee; R. Ewing Thomason, Texas; Homer C. Parker, Georgia.

Mines and Mining: Joe L. Smith, West Virginia (chairman); Mell G. Underwood, Ohio; Andrew L. Somers, New York; Claude V. Parsons, Illinois; John M. Evans, Montana; William P. Cole, jr., Maryland; John W. Boehne, jr., Indiana; Kent E. Keller, Illinois; Lynn S. Hornor, West Virginia.

Naval Affairs: Carl Vinson, Georgia (chairman); James V. McClintic, Oklahoma; Herbert J. Drane, Florida; Patrick Henry Drewry, Virginia; Stephen W. Gambrill, Maryland; John J. Delaney, New York; Frank C. Kniffin, Ohio; William E. Barton, Missouri; Joachim O. Fernandez, Louisiana; Patrick J. Boland, Pennsylvania; Leonard W. Schuetz, Illinois; William H. Sutphin, New Jersey.

Patents: William I. Sirovich, New York (chairman); Fritz G. Lanham, Texas; Mell G. Underwood, Ohio; LaFayette L. Patterson, Alabama; Samuel Rutherford, Georgia; J. Bayard Clark, North Carolina; Joseph A. Gavan, New York; Fletcher B. Swank, Oklahoma; William P. Cole, jr., Maryland; Edward A. Kelly, Illinois; Martin Dies, Texas; Paul J. Kvale, Minnesota.

Pensions: Allard H. Gasque, South Carolina (chairman); John W. Moore, Kentucky; Patrick J. Carley, New York; Samuel Rutherford, Georgia; Edward B. Almon, Alabama; Riley J. Wilson, Louisiana; Vincent L. Palmisano, Maryland; Martin Dies, Texas; Eugene B. Crowe, Indiana; Brent Spence, Kentucky; Bernhard M. Jacobsen, Iowa; Charles H. Martin, Oregon.

Post Office and Post Roads: James M. Mead, New York (chairman); Milton A. Romjue, Missouri; John H. Morehead, Nebraska; LaFayette L. Patterson, Alabama; William F. Brunner, New York; J. Earl Major, Illinois; Harry L. Haines, Pennsylvania; Glover H. Cary, Kentucky; John S. Wood, Georgia; Thomas G. Burch, Virginia; Arthur P. Lamneck, Ohio; Martin L. Sweeney, Ohio.

Printing: William F. Stevenson, South Carolina (chairman); J. Walter Lambeth, North Carolina.

Public Buildings and Grounds: Fritz G. Lanham, Texas (chairman); Edward B. Almon, Alabama; John H. Kerr, North Carolina; William J. Driver, Arkansas; Robert A. Green, Florida; Patrick J. Carley, New York; Jere Cooper, Tennessee; Lynn S. Hornor, West Virginia; Bernhard M. Jacobsen, Iowa; Dennis Chavez, New Mexico; Howard W. Smith, Virginia; Eugene B. Crowe, Indiana.

Public Lands: John M. Evans, Montana (chairman); Thomas A. Yon, Florida; William C. Lankford, Georgia; Butler B. Hare, South Carolina; René L. DeRouen, Louisiana; Claude A. Fuller, Arkansas; Fritz G. Lanham, Texas; Fletcher B. Swank, Oklahoma; Kent E. Keller, Illinois; Dennis Chavez, New Mexico; Bernhard M. Jacobsen, Iowa; Paul J. Kvale, Minnesota.

Revision of the Laws: Byron B. Harlan, Ohio (chairman); Loring M. Black, jr., New York; William P. Connery, jr., Massachusetts; Samuel Dickstein, New York; Lamar Jeffers, Alabama; John J. Cochran, Missouri; Claude V. Parsons, Illinois.

Rivers and Harbors: Joseph J. Mansfield, Texas (chairman); John McDuffie, Alabama; Joseph A. Gavan, New York; William C. Lankford, Georgia; Thomas A. Yon, Florida; René L. DeRouen, Louisiana; William P. Cole, jr., Maryland; Charles H. Martin, Oregon; William L. Fiesinger, Ohio; John W. Boehne, jr., Indiana; Joseph B. Shannon, Missouri; Martin Dies, Texas; Brent Spence, Kentucky.

Roads: Edward B. Almon, Alabama (chairman); Bolivar E. Kemp, Louisiana; Lindsay C. Warren, North Carolina; Wilburn Cartwright, Oklahoma; O. H. Cross, Texas; Claude A. Fuller, Arkansas; William M. Whittington, Mississippi; Wright Patman, Texas; Robert Ramspeck, Georgia; Claude V. Parsons, Illinois; Eugene B. Crowe, Indiana; Charles H. Martin, Oregon.

Rules: Edward W. Pou, North Carolina (chairman); William B. Bankhead, Alabama; John J. O'Connor, New York; Adolph J. Sabath, Illinois; Daniel E. Garrett, Texas; Arthur H. Greenwood, Indiana; E. E. Cox, Georgia; Thomas S. McMillan, South Carolina.

Territories: Guinn Williams, Texas (chairman); William C. Lankford, Georgia; John E. Rankin, Mississippi; Bolivar E. Kemp, Louisiana; Allard H. Gasque, South Carolina; John McDuffie, Alabama; William J. Driver, Arkansas; Robert A. Green, Florida; John J. Douglass, Massachusetts; Eugene B. Crowe, Indiana; Claude V. Parsons, Illinois; Paul J. Kvale, Minnesota.



War Claims: Miles C. Allgood, Alabama (chairman); Butler B. Hare, South Carolina; John J. Douglass, Massachusetts; Wilburn Cartwright, Oklahoma; Wright Patman, Texas; John H. Kerr, North Carolina; Joseph A. Gavagan, New York; James F. Fulbright, Missouri; Dennis Chavez, New Mexico; Charles H. Martin, Oregon; Glenn Griswold, Indiana; Paul J. Kvale, Minnesota.

World War Veterans' Legislation: John E. Rankin, Mississippi (chairman); Lamar Jeffers, Alabama; William P. Connery, Jr., Massachusetts; Mary T. Norton, New Jersey; Edgar Howard, Nebraska; Wright Patman, Texas; Jere Cooper, Tennessee; Claude A. Fuller, Arkansas; Edward A. Kelly, Illinois; Glenn Griswold, Indiana; Dennis Chavez, New Mexico; and Brent Spence, Kentucky.

The resolution was agreed to.

Mr. SNELL. Mr. Speaker, I offer a resolution, which I have sent to the desk.

The Clerk read the resolution, as follows:

Resolution offered by Mr. SNELL:

House Resolution 62

*Resolved*, that the following Members be, and they are hereby, elected members of the following standing committees of the House of Representatives, to wit:

Elections No. 1: C. William Ramseyer, Iowa; John C. Allen, Illinois; John B. Hollister, Ohio.

Elections No. 2: John C. Schafer, Wisconsin; C. B. McClintock, Ohio; Charles E. Swanson, Iowa.

Elections No. 3: Charles L. Gifford, Massachusetts; Ed H. Campbell, Iowa; Harry A. Estep, Pennsylvania.

Judiciary: Leonidas C. Dyer, Missouri; Charles A. Christopher, South Dakota; Richard Yates, Illinois; Earl C. Michener, Michigan; J. Banks Kurtz, Pennsylvania; C. Ellis Moore, Ohio; Fiorello H. LaGuardia, New York; Homer W. Hall, Illinois; Carl G. Bachmann, West Virginia; Charles I. Sparks, Kansas.

Banking and Currency: Louis T. McFadden, Pennsylvania; James G. Strong, Kansas; Robert Luce, Massachusetts; Guy E. Campbell, Pennsylvania; Carroll L. Beedy, Maine; Joseph L. Hooper, Michigan; Godfrey G. Goodwin, Minnesota; Benjamin M. Golder, Pennsylvania; Francis Seiberling, Ohio.

Coinage, Weights, and Measures: Randolph Perkins, New Jersey; Lloyd Thurston, Iowa; George J. Schneider, Wisconsin; Victor Christgau, Minnesota; William E. Hess, Ohio; Menalcus Lankford, Virginia; Thomas R. Amlie, Wisconsin; Harold McGugin, Kansas.

Interstate and Foreign Commerce: James S. Parker, New York; John G. Cooper, Ohio; Carl E. Mapes, Michigan; Homer Hoch, Kansas; Adam M. Wyant, Pennsylvania; Olger B. Burtness, North Dakota; John E. Nelson, Maine; Thomas J. B. Robinson, Iowa; Milton C. Garber, Oklahoma; James M. Beck, Pennsylvania.

Rivers and Harbors: Richard P. Freeman, Connecticut; Nathan L. Strong, Pennsylvania; James J. Connolly, Pennsylvania; William E. Hull, Illinois; George N. Seger, New Jersey; Albert E. Carter, California; Robert G. Houston, Delaware; Henry F. Niedringhaus, Missouri; Francis D. Culkin, New York; Chester C. Bolton, Ohio.

Merchant Marine and Fisheries: Frederick R. Lehlbach, New Jersey; Arthur M. Free, California; Frank R. Reid, Illinois; Charles L. Gifford, Massachusetts; Frederick W. Magrady, Pennsylvania; Frank L. Bowman, West Virginia; Robert H. Clancy, Michigan; Charles A. Kading, Wisconsin; James Wolfenden, Pennsylvania; Victor S. K. Houston, Hawaii; James Wickersham, Alaska.

Agriculture: Gilbert N. Haugen, Iowa; Fred S. Purnell, Indiana; John C. Ketcham, Michigan; Thomas Hall, North Dakota; Harcourt J. Pratt, New York; August H. Andresen, Minnesota; Charles Adkins, Illinois; John D. Clarke, New York; Clifford R. Hope, Kansas; Donald F. Snow, Maine; Victor S. K. Houston, Hawaii.

Foreign Affairs: Henry W. Temple, Pennsylvania; Hamilton Fish, Jr., New York; Cyrenus Cole, Iowa; Morton D. Hull, Illinois; Joseph W. Martin, Jr., Massachusetts; Charles A. Eaton, New Jersey; Melvin J. Maas, Minnesota; Joe Crall, California; Edmund F. Erk, Pennsylvania.

Military Affairs: W. Frank James, Michigan; Harry C. Ransley, Pennsylvania; William R. Johnson, Illinois; Florence P. Kahn, California; Thomas C. Cochran, Pennsylvania; William H. Stafford, Wisconsin; E. W. Goss, Connecticut; Charles A. Wolverton, New Jersey; Burnett M. Chipfield, Illinois; Victor S. K. Houston, Hawaii.

Naval Affairs: Fred A. Britten, Illinois; George P. Darrow, Pennsylvania; Clark Burdick, Rhode Island; A. Platt Andrew, Massachusetts; Roy O. Woodruff, Michigan; W. E. Evans, California; Clarence E. Hancock, New York; J. Russell Leech, Pennsylvania; William R. Coyle, Pennsylvania; Victor S. K. Houston, Hawaii.

The Post Office and Post Roads: Archie D. Sanders, New York; Samuel A. Kendall, Pennsylvania; Clyde Kelly, Pennsylvania; Frank H. Foss, Massachusetts; David Hogg, Indiana; John T. Buckbee, Illinois; I. H. Doutrich, Pennsylvania; Frank P. Bohn, Michigan; Robert L. Hogg, West Virginia; Victor S. K. Houston, Hawaii.

The Public Lands: Don B. Colton, Utah; Addison T. Smith, Idaho; Scott Leavitt, Montana; Phil D. Swing, California; Samuel S. Arentz, Nevada; Harry L. Englebright, California; Robert R. Butler, Oregon; William R. Eaton, Colorado; W. I. Nolan, Minnesota; Victor S. K. Houston, Hawaii; James Wickersham, Alaska.

Indian Affairs: Scott Leavitt, Montana; Harold Knutson, Minnesota; William Williamson, South Dakota; Hubert H. Peavey, Wisconsin; Oscar De Priest, Illinois; Edmund F. Cooke, New York; George A. Welsh, Pennsylvania; Frederick C. Loofbourow, Utah; Fred C. Gilchrist, Iowa; James Wickersham, Alaska.

The Territories: Ernest W. Gibson, Vermont; Albert Johnson, Washington; Cassius C. Dowell, Iowa; Louis T. McFadden, Pennsylvania; Harry L. Englebright, California; Ed H. Campbell, Iowa; Charles Finley, Kentucky; Charles F. Curry, California; Jesse P. Wolcott, Michigan; Victor S. K. Houston, Hawaii; James Wickersham, Alaska.

Insular Affairs: Harold Knutson, Minnesota; Carroll L. Beedy, Maine; Charles L. Underhill, Massachusetts; Lloyd Thurston, Iowa; Thomas A. Jenkins, Ohio; Frederick W. Magrady, Pennsylvania; Joseph L. Hooper, Michigan; Richard J. Welch, California; George F. Brumm, Pennsylvania.

Mines and Mining: Joe J. Manlove, Missouri; Samuel S. Arentz, Nevada; Harry L. Englebright, California; Hugh Ike Shott, West Virginia; C. Murray Turpin, Pennsylvania; Charles Finley, Kentucky; Harold McGugin, Kansas; James Wickersham, Alaska.

Public Buildings and Grounds: J. Will Taylor, Tennessee; Daniel A. Reed, New York; Gale H. Stalker, New York; Charles Brand, Ohio; Clarence J. McLeod, Michigan; Frederick W. Dallinger, Massachusetts; J. Howard Swick, Pennsylvania; Albert H. Vestal, Indiana; Grant E. Mouser, Jr., Ohio.

Education: Daniel A. Reed, New York; Benjamin M. Golder, Pennsylvania; C. B. McClintock, Ohio; W. P. Lambertson, Kansas; James L. Whitley, New York; George A. Welsh, Pennsylvania; Ruth Pratt, New York; Donald B. Partridge, Maine; Ralph A. Horr, Washington.

Labor: Richard J. Welch, California; William F. Kopp, Iowa; Conrad G. Selvig, Minnesota; W. P. Lambertson, Kansas; Fred A. Hartley, Jr., New Jersey; Vincent Carter, Wyoming; Edward L. Stokes, Pennsylvania; Peter C. Granata, Illinois; O. B. Lovette, Tennessee.

Patents: Albert H. Vestal, Indiana; Randolph Perkins, New Jersey; Clarence J. McLeod, Michigan; Godfrey G. Goodwin, Minnesota; C. Murray Turpin, Pennsylvania; Fred A. Hartley, Jr., New Jersey; Victor Christgau, Minnesota; Robert F. Rich, Pennsylvania; William A. Pittenger, Minnesota.

Invalid Pensions: John M. Nelson, Wisconsin; Edward M. Beers, Pennsylvania; Frank L. Bowman, West Virginia; Conrad G. Selvig, Minnesota; David Hopkins, Missouri; Oscar De Priest, Illinois; Francis Seiberling, Ohio; W. I. Nolan, Minnesota; Charles D. Millard, New York.

Pensions: William F. Kopp, Iowa; Gale H. Stalker, New York; Hubert H. Peavey, Wisconsin; Richard J. Welch, California; J. Howard Swick, Pennsylvania; Thomas A. Jenkins, Ohio; Donald B. Partridge, Maine; Walter G. Andrews, New York; Gardner R. Withrow, Wisconsin.

Claims: U. S. Guyer, Kansas; John C. Schafer, Wisconsin; Robert R. Butler, Oregon; Victor Christgau, Minnesota; Patrick J. Sullivan, Pennsylvania; George F. Brumm, Pennsylvania; William A. Pittenger, Minnesota; Malcolm Baldrige, Nebraska.

War Claims: James G. Strong, Kansas; James H. Sinclair, North Dakota; Hubert H. Peavey, Wisconsin; Harold Knutson, Minnesota; J. Mitchell Chase, Pennsylvania; David Hopkins, Missouri; Robert L. Bacon, New York; Gerald J. Boileau, Wisconsin; Peter A. Cavicchia, New Jersey.

District of Columbia: Clarence J. McLeod, Michigan; Edward M. Beers, Pennsylvania; Gale H. Stalker, New York; Frank L. Bowman, West Virginia; Patrick J. Sullivan, Pennsylvania; James L. Whitley, New York; C. B. McClintock, Ohio; Frederick M. Davenport, New York; Pehr G. Holmes, Massachusetts.

Revision of the Laws: Frank R. Reid, Illinois; Frederick W. Dallinger, Massachusetts; John M. Nelson, Wisconsin; Charles A. Kading, Wisconsin; William R. Eaton, Colorado; Grant E. Mouser, Jr., Ohio.

The Civil Service: Frederick R. Lehlbach, New Jersey; Addison T. Smith, Idaho; Ernest W. Gibson, Vermont; Joe J. Manlove, Missouri; James H. Sinclair, North Dakota; George J. Schneider, Wisconsin; Edith Nourse Rogers, Massachusetts; Hugh Ike Shott, West Virginia; James L. Whitley, New York.

Election of President, Vice President, and Representatives in Congress: Charles L. Gifford, Massachusetts; John L. Cable, Ohio; W. I. Nolan, Minnesota; James A. Frear, Wisconsin; C. William Ramseyer, Iowa.

Irrigation and Reclamation: Addison T. Smith, Idaho; Scott Leavitt, Montana; Phil D. Swing, California; Samuel S. Arentz, Nevada; Robert R. Butler, Oregon; Vincent Carter, Wyoming; Frederick C. Loofbourow, Utah.

Immigration and Naturalization: Albert Johnson, Washington; J. Will Taylor, Tennessee; Arthur M. Free, California; Thomas A. Jenkins, Ohio; George J. Schneider, Wisconsin; J. Mitchell Chase, Pennsylvania; John L. Cable, Ohio; Edmund F. Cooke, New York; Charles D. Millard, New York; Victor S. K. Houston, Hawaii.

Expenditures in the Executive Departments: William Williamson, South Dakota; Don B. Colton, Utah; Guy E. Campbell, Pennsylvania; Frederick W. Dallinger, Massachusetts; John C. Schafer, Wisconsin; Edmund F. Cooke, New York; Frederick M. Davenport, New York; Richard B. Wigglesworth, Massachusetts; John B. Hollister, Ohio.

Rules: Fred S. Purnell, Indiana; Earl C. Michener, Michigan; Harry C. Ransley, Pennsylvania; Joseph W. Martin, Jr., Massachusetts.

Accounts: Charles L. Underhill, Massachusetts; James Wolfenden, Pennsylvania; Hugh Ike Shott, West Virginia; Ralph A. Horr, Washington.

The Census: Lloyd Thurston, Iowa; W. P. Lambertson, Kansas; Grant E. Mouser, Jr., Ohio; J. Roland Kinzer, Pennsylvania; Richard B. Wigglesworth, Massachusetts; Menalcus Lankford,



Virginia; William E. Hess, Ohio; Charles F. Curry, California; O. B. Lovette, Tennessee.

Roads: Cassius C. Dowell, Iowa; Charles Brand, Ohio; Joe J. Manlove, Missouri; Don B. Colton, Utah; John M. Nelson, Wisconsin; Robert H. Clancy, Michigan; Conrad G. Selvig, Minnesota; C. Murray Turpin, Pennsylvania; J. Roland Kinzer, Pennsylvania; Flood Control: Frank R. Reid, Illinois; William F. Kopp, Iowa; Phil D. Swing, California; James H. Sinclair, North Dakota; U. S. Guyer, Kansas; Robert F. Rich, Pennsylvania; Seymour H. Person, Michigan; John E. Weeks, Vermont; Wilbur M. White, Ohio.

World War Veterans' Legislation: Royal C. Johnson, South Dakota; Robert Luce, Massachusetts; Randolph Perkins, New Jersey; Ernest W. Gibson, Vermont; Edith Nourse Rogers, Massachusetts; Frederick R. Lehlbach, New Jersey; J. Howard Swick, Pennsylvania; J. Mitchell Chase, Pennsylvania; David Hopkins, Missouri.

Memorials: Frank Crowther, New York.

The Library: Robert Luce, Massachusetts; Ruth Pratt, New York.

Printing: Edward M. Beers, Pennsylvania.

Enrolled Bills: Guy E. Campbell, Pennsylvania; Oscar De Priest, Illinois; Harry A. Estep, Pennsylvania.

Disposition of Useless Executive Papers: Edward H. Wason, New Hampshire.

Mr. SNELL. Mr. Speaker, before the question is put I ask unanimous consent to drop the name of the gentleman from Pennsylvania [Mr. KINZER] from the Committee on Claims, as that is an error.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The resolution was agreed to.

#### FISCAL RELATIONS BETWEEN THE DISTRICT OF COLUMBIA AND THE UNITED STATES

Mr. MAPES, chairman of the Select Committee of the House on Fiscal Relations between the District of Columbia and the United States, submitted a report (Report No. 1), which was read, and, together with the accompanying papers, referred to the Union Calendar and ordered printed.

#### TAXATION OF INCOMES IN THE DISTRICT OF COLUMBIA

Mr. MAPES, chairman of the Select Committee on Fiscal Relations between the District of Columbia and the United States, submitted a bill (H. R. 5821) to provide for the taxation of incomes in the District of Columbia, to repeal certain provisions of law relating to the taxation of intangible personal property in the District of Columbia, and for other purposes, together with a report (Report No. 2) upon the bill, which was referred to the Committee of the Whole House on the state of the Union and ordered printed.

Mr. STAFFORD. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. STAFFORD. Mr. Speaker, I would like to inquire whether the bill which was just submitted by the select committee is privileged.

The SPEAKER. The bill is privileged under a resolution passed by the last Congress. Section 4 of House Resolution 285, passed by the Seventy-first Congress, reads as follows:

The committee shall have the right to report to the House at any time by a bill or bills, or otherwise, the results of its investigations.

The authority of this resolution was later extended by the act of February 23, 1931 (46 Stat. 1377).

#### ESTATE TAX FOR THE DISTRICT OF COLUMBIA

Mr. FREAR. Mr. Speaker, I have been directed by the committee to report a bill providing an estate tax for the District of Columbia, and I am accompanying it with a report.

The SPEAKER. The gentleman from Wisconsin presents a bill and report, which the Clerk will report by title.

The Clerk read as follows:

A bill to provide for an estate tax for the District of Columbia.

The SPEAKER. Referred to the Committee of the Whole House on the state of the Union and ordered printed.

#### GASOLINE AND MOTOR-VEHICLE-WEIGHT TAX IN THE DISTRICT OF COLUMBIA

Mr. MAPES. Mr. Speaker, I would like to make the further announcement at this time that later in the day or to-morrow the gentleman from Tennessee [Mr. DAVIS] will report from the same committee a bill to increase the gasoline tax in the District of Columbia from 2 cents to 4 cents,

and another bill providing for a motor-vehicle-weight tax in the District of Columbia.

Mr. DAVIS. Mr. Speaker, in that connection I wish to ask unanimous consent that I have until 6 o'clock to-day to file those bills, if they are then ready—which I think they will be—together with the reports.

The SPEAKER. The gentleman from Tennessee asks unanimous consent that he have the balance of this legislative day in which to file with the Clerk two bills from the select committee and that the bills be printed and referred to the Committee of the Whole House on the state of the Union. Is there objection?

There was no objection.

Mr. MAPES. Mr. Speaker, some of the members of the committee would like an opportunity to refer briefly to the work of the committee and the report it has just submitted. I ask unanimous consent that I may be granted the control of one hour, a part of which I shall yield to the gentleman from Wisconsin [Mr. FREAR], a part to the gentleman from Tennessee [Mr. DAVIS], and perhaps a part to some other members of the committee, for the purpose of commenting upon and calling attention to the report which the committee has just filed.

The SPEAKER. The gentleman from Michigan asks unanimous consent to address the House for one hour, with the privilege of yielding time to certain Members. Is there objection?

Mr. BLANTON. Mr. Speaker, reserving the right to object, and I shall not object, this is some of the most important work, in my judgment, that has been done in Congress for 10 years. Why does not the gentleman ask for two hours' time, an hour to be controlled by himself and the other hour to be parceled out.

Mr. MAPES. I will state to the gentleman from Texas that the committee has just submitted its report. The report has not yet been printed and is therefore not available to the membership of the House, but the members of the committee thought they would like this brief time in which to direct the attention of the Members to the report; and if the Members desire to discuss it more fully at some other time, after the report has been printed and is available, all right and good; but for the present the members of the committee thought that one hour would be sufficient.

Mr. BLANTON. Then the gentleman intends to ask for adequate time for debate on these bills?

Mr. MAPES. We hope to consider some of the bills to-morrow.

The SPEAKER. The Chair understands that it will be necessary to go into the Committee of the Whole House on the state of the Union for the consideration of these bills. Under that condition there will be such general debate as the committee may desire. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The SPEAKER. The gentleman from Michigan is recognized for one hour.

Mr. MAPES. Mr. Speaker, before calling attention to the report which has just been submitted, I want to express my appreciation to the members of this committee for the work they have done. The committee consisted of the gentleman from Wisconsin [Mr. FREAR], the gentleman from Illinois [Mr. HOLADAY], the gentleman from Pennsylvania [Mr. BEERS], the gentleman from Tennessee [Mr. DAVIS], the gentleman from Mississippi [Mr. COLLINS], the gentleman from Texas [Mr. PATMAN], and myself. The gentleman from Mississippi [Mr. COLLINS] and the gentleman from Illinois [Mr. HOLADAY] were members in the last Congress of the subcommittee of the Committee on Appropriations having in charge the District appropriation bill. The gentleman from Pennsylvania [Mr. BEERS] and the gentleman from Texas [Mr. PATMAN] were members of the District legislative committee, so that the members of the committee had some familiarity with District legislation before they were appointed to this committee.

It is probably unnecessary for me to say that no member of the committee sought this assignment; in fact, I think it



safe to say that every member accepted the assignment with reluctance. I want to say that the members of the committee accepted the duty assigned them, however, and performed it with the utmost care, faithfulness, industry, and ability. Their work was performed in a spirit of the utmost harmony and friendliness. The committee submits its report this afternoon for whatever it may be worth to the membership of the House.

In this connection I perhaps may say now as well as at any time that the committee, after its organization and after holding public hearings, retained Mr. George Lord, of Detroit, Mich., a tax expert, for research work; and I think it is the unanimous opinion of the committee that his services have been invaluable to the committee. He has been devoting himself to tax work exclusively for a period of something over 20 years, and the committee could not have conducted the investigation it has without his assistance and advice.

Mr. Speaker, under the resolution, it was the duty of the committee to report back to the House the amount that, in its judgment, it thought fair and just for the Federal Government to contribute toward the expenses of the District government. We are doing that in this report.

It was also made the duty of the committee to investigate other sources of revenue within the District, and the committee was given the right to report its findings and recommendations by bill or otherwise as it saw fit. The committee is submitting a report of something over 60 pages in length and four bills which it will ask to be considered and passed later on—one an income tax bill for the District, one an inheritance tax bill, one a bill increasing the tax on gasoline from 2 to 4 cents a gallon, and a motor-vehicle-weight tax bill.

In the judgment of the committee, these taxes are paid by most of the people of the United States, and the committee thinks there is no reason why they should not be paid by the people within the District of Columbia.

Anyone who makes any serious study of the fiscal relations between the District and the Federal Government will find that from time to time, beginning soon after the removal of the Capital to its present location, joint committees or select committees of one kind or another have been appointed to investigate and to report back their findings in regard to the general subject of the relationship of the District of Columbia to the Federal Government. This committee considered it unwise to rehash or to go over the same subject matter which has been gone over so many times, periodically, during the last 100 years.

The committee felt there was one phase of the subject matter, however, that had not been thoroughly and exhaustively studied, and it set about to make a study of that one particular feature.

Mr. BLANTON. Will the gentleman yield?

Mr. MAPES. I yield to the gentleman.

Mr. BLANTON. The same power and authority that authorizes the committee to bring in these four matters of legislation—the income tax, the inheritance tax, the gas tax, and the motor-vehicle tax, all of which are good and all of which I most heartily approve—gives this committee the power and authority to suggest legislation carrying out the main recommendation which they were appointed to make; and I was hopeful the committee would bring in that recommendation in the form of a bill and pass it and get that matter out of the way, so it will not harass Congress for the next 20 years. If we leave it to some other committee and do not clinch the nail now after we drive it through, my idea is that we are going to leave it in indefinite shape for the next 10 years, to bother us and hamstring us—

Mr. MAPES. I think I understand the gentleman's point.

Mr. BLANTON. And hold us up again in the last hours of Congress, as we were held up before we adjourned last March.

Mr. MAPES. Mr. Speaker, whether it would be advisable for Congress to fix by law a definite amount of annual contribution, I think, perhaps, is open to question; but whether it is advisable to do so or not is, of course, a matter of

policy. I do not think that the determination of that question of public policy was submitted to this committee. I do not think that that was within the province of this committee. I do not think the resolution creating the committee either contemplated or authorized the committee to bring in such a piece of legislation as the gentleman from Texas suggests. The resolution reads that the committee "is authorized" to recommend to the House what amount, in their judgment, the United States should contribute annually toward the development and maintenance of the municipality.

It has never been considered by the committee that it was the duty of the committee to bring in a bill to carry out that particular feature of its recommendation.

As I was saying, the committee felt that there was one subject which had not been thoroughly discussed or investigated by former committees, and this committee set about to make a study of that particular subject, namely, what is the tax burden of the people of the District of Columbia as compared with people in comparable cities, so-called cities of about the same size and advantages. It was for the purpose of making that study that the committee secured the assistance of Mr. Lord, the tax expert to whom I have referred.

Mr. Lord got in touch with the municipal officers, the real-estate boards, the chambers of commerce, and others familiar with valuations in the respective cities of the country comparable in size, and worked out and adjusted the rates for the people in the District of Columbia as compared with the other 22 cities with which comparison was made.

With the report filed by the committee, the committee is filing this table, along with other tables, as an annex or appendix to its report. These tables, the committee feels, are almost invaluable.

In this adjusted tax-rate table the committee finds that the tax per thousand in the District of Columbia is \$15.30. The lowest rate outside of the District is in Kansas City, where it is \$17.58. The rate varies from that up to the rate in the city of Louisville, where it is over \$30—\$30.80 to be exact—or twice as high as it is in the District of Columbia.

Mr. DYER. Will it interfere with the gentleman if I ask him a question?

Mr. MAPES. Not at all.

Mr. DYER. How much additional tax on the people, under the recommendation of the committee, as to the Federal contribution, would it require in raising the taxes in the District of Columbia to meet the full expenses of the District government?

Mr. MAPES. I intend to get to that a little later.

Mr. DYER. Very well.

Mr. CANNON. In the event that the House should not pass the four bills to which the gentleman refers, what would be the alternative?

Mr. MAPES. The alternative would be an increase in the general property tax in the District.

Mr. CANNON. And, approximately, what rate?

Mr. MAPES. I think 20 cents a hundred would take care of it.

Congress in the fixing of the tax rate for the District of Columbia, or in passing the annual appropriation bill for the District must act in a dual capacity. It must represent the District, and it must represent the people of the United States outside of the District, and, of course, wants to be fair to both. It has the dual obligation to perform as it passes the annual District appropriation bill. The committee, as the report indicates, finds that the people of the country are laboring under a very heavy tax burden; in many cases it is heavier than the taxpayer can bear.

The amount of property sold for delinquent taxes in the last few years the country over is something appalling. The committee says in its report that it does not want to make a recommendation that will result in making the tax burden in the District of Columbia to rest as heavily upon the people of the District as it rests upon the people outside of the District, because the committee is impressed



with the fact that the tax burden on the people outside the District generally is too high.

At the same time, it is difficult to argue that the people outside, with this heavy burden, should contribute to the expenses of the District government as long as the people of the District do not pay as large a tax as the average paid in comparable cities.

The report goes at length into the discussion of this subject of what is the proper rule to follow in order to determine how much the people of the District should pay toward the expenses of the District government. There was very little disagreement among the witnesses that appeared before the committee, if there was any—I do not recall any disagreement on the part of witnesses who reside in the District of Columbia as to the proper rule to follow.

As I have said, several committees have investigated the subject and have expressed their opinion as to the rule that should be followed. Most of them frankly say that they think that the people in the District should be required to pay in taxes about the same as the people have to pay who live in comparable cities; that is, cities of practically the same size and advantages. Some of the witnesses from the District, however, were tenacious in their contention that they are already doing that. The committee adopted that rule and have tried to find out what people in other comparable cities pay.

One of the duties of the joint committee of 1915 was to prepare and submit a statement of the proper proportions of the expenses of the government of the District of Columbia, or any branch thereof, which shall be borne by said District and the United States, respectively. It will be seen that that committee had practically the same question to determine, as far as laying down the rule is concerned, as was submitted to this committee. The joint committee in 1915 said:

We find after a most careful consideration of all the evidence and circumstances as shown to exist at this time that there is no reason for any arbitrary rule of proportionate contribution of expenses by the District of Columbia, by the residents thereof, and by the people of the United States who reside outside of the District; that the correct rule should be that the responsibility in taxation of the residents of the District of Columbia be as fixed and certain as the responsibility of residents of other American cities comparable with the city of Washington; that with the payment of such taxes, as may be equitable and properly assessed against privately owned taxable property, the financial responsibility of the residents of the District of Columbia should be concluded.

And the joint committee of 1922, of which the gentleman from Colorado [Mr. HARDY] and the gentleman from Georgia [Mr. WRIGHT] were members, considered this fiscal relations question in some of its aspects, and made a report in which it said some of the members of the committee believed that the United States has for a long time, and is now, contributing more than its just proportion of the administration of the District of Columbia and the upkeep of the District.

Mr. BOWMAN. Mr. Speaker, will the gentleman yield?

Mr. MAPES. Yes.

Mr. BOWMAN. I understand the report fixes the amount due the District of Columbia from the Federal Government at \$6,500,000. Is that correct?

Mr. MAPES. The report says that in the judgment of the committee the Federal contribution annually should not exceed \$6,500,000.

Mr. BOWMAN. Can the gentleman inform the House how the committee arrived at that conclusion?

Mr. MAPES. Yes; I shall be glad to, and I shall come to that in a moment.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. MAPES. Yes.

Mr. COX. In the action of the committee in making recommendations to increase the tax burden of the people of the District of Columbia had the committee in mind the raising of larger funds from the District in order to meet increased District expenditures, or was it for the purpose of lowering the Federal contribution?

Mr. MAPES. The committee took all of those questions into consideration.

Mr. COX. Then what particular purpose, in the recommendations of the committee, did the committee desire to serve—making possible an increase in District expenditures or the lowering of the Federal contributions?

Mr. MAPES. I do not know that I clearly understand the gentleman's question.

Mr. COX. In the committee's recommendation in the interest of equalizing the tax burdens of the people of the District with the tax burdens of the people outside of the District they have recommended a raise in taxes for the people of the District, which, of course, will necessarily mean an increase in the tax revenues. Did the gentleman's committee desire to increase the revenue in order to enable larger District expenditures or did the committee desire to increase the revenue, as the gentleman has said, in the interest of equalizing the tax burden of the people of the District with the other people of the country in order to accommodate the desire, if not the demand, for a lowering of the Federal contribution?

Mr. MAPES. In following the rule which I have already referred to, that the tax burden in the District ought to be somewhat comparable to the tax burden in other cities of the same size and advantages, the committee felt that inasmuch as these taxes, which will be required if the bills which the committee has recommended are enacted, are paid by the people in these comparable cities, that on any comparative basis the people of the District ought to pay them, and after they were paid and after the people pay other taxes somewhat comparable to what people in other cities pay, then the Government should contribute whatever is necessary and proper to maintain the District government.

Mr. COX. The gentleman's committee has not recommended a tax levy on the people of the District which comes up to an average of the burden levied in the cities of this country, has it? They are still below the average of all the comparable cities of the country which the study conducted by the committee took into consideration.

Mr. MAPES. As the report says, it was not the province of the committee to fix a rate on general property. The rate is fixed more or less automatically after the Federal contribution is fixed. The rate is whatever is necessary over and above \$1.70 per \$100 to raise the budget; but answering the substance of the gentleman's question, the committee has not in its report made a recommendation which in the judgment of the committee will bring the tax rate of the people of the District up to the average of what it is in comparable cities.

Mr. GLOVER. Mr. Speaker, will the gentleman yield?

Mr. MAPES. Yes.

Mr. GLOVER. As I understand the recommendation of the committee it reduces the amount about two and a half or three million dollars below what it was in the last appropriation.

Mr. MAPES. I shall come to that in a moment.

Mr. GLOVER. Did the committee take into consideration in arriving at this figure the fact that much of the property that has heretofore borne a revenue to the city had been taken over by the Government for Government buildings, and that that would reduce the revenues somewhat or at least to the amount of the tax that was paid on that property?

Mr. MAPES. The committee did not reach the conclusion which the gentleman's question implies. The city assessor says that the values of privately owned property increased more than enough to make up the difference due to the loss of property which the Government takes over.

Mr. BLANTON. Will the gentleman yield for a question there?

Mr. MAPES. I want to finish my statement. I yield for a question.

Mr. BLANTON. Is it not a fact that if the gentleman's recommendations are all approved by Congress, the people



of the District of Columbia yet will pay only \$1.70 on the hundred?

Mr. MAPES. That is true.

Now, I should like to make a general statement, perhaps repeating something I have already said. It is the judgment of the majority of the committee that the general property tax, the country over, is too high and too burdensome, and one of the purposes of the committee in reporting the bills which it has reported is to relieve the general property tax by the income tax, the inheritance tax, and the other taxes mentioned, in so far as they will relieve them in the District of Columbia. [Applause.]

Mr. COX. Will the gentleman yield for a further question?

Mr. MAPES. If it is brief.

Mr. COX. The gentleman makes the observation that the tax burden of the people generally throughout the country is entirely too high. Is the gentleman not willing to concede that the conditions in the country are such that it is impossible for the States and other communities to lower the tax burden at this time, and that therefore, if there is to be anything of an equalization of the burdens, the recommendation of the committee ought to go to the extent of recommending a considerably higher levy on the people of the District, the gentleman recognizing, of course, that in this regard Congress has no control over the rest of the country?

Mr. MAPES. I prefer the gentleman would not make a speech. The committee desires to confine itself to the District of Columbia and not to assume the responsibility of lowering taxes in the States and in other communities. It has enough work to do if it confines itself to the District of Columbia.

I should say, perhaps, that the report of the committee is signed by six of the seven members of the committee, and that the gentleman from Wisconsin [Mr. FEARL] submits additional views. My understanding of the position of the gentleman from Wisconsin, briefly, is that he agrees with the committee in its findings of facts, but he would go farther than the committee has gone in its conclusions; he would go to the extent of requiring the people in the District to pay a general property tax equivalent to the average tax, at least of that in comparable cities, before asking the Federal Government to contribute anything. The majority of the committee, because of the peculiar set-up which makes the Congress the absolute authority over the District, as the committee report says, if it is going to err, prefers to make the error on the side of liberality; and in view of the further fact that it considers that the average general property tax the country over is too high and too burdensome, and in many cases prohibitive, it hesitates to make a recommendation, the effect of which will be to bring the general property tax in the District of Columbia up to the average even of the general property tax in the comparable cities.

Mr. COX. May I make one further observation?

Mr. MAPES. I can not yield further. Permit me to say that, in addition to the four bills which the committee has reported, the committee recommends a change in the law relating to the taxation of the property of steam railroads in the District. In investigating this subject the committee found that about one-half of the property of the steam railroads in the District of Columbia is exempt from taxation, according to the District assessor. The law says that the viaducts, tunnels, retaining walls, and some other things relating to steam railroad property are exempt entirely from taxation. The committee recommends that this subject be looked into by the legislative Committee on the District of Columbia and that that law be changed. It also recommends a change in the tax law with reference to taxing public utilities within the District; and if those changes are made, in addition to the four bills reported by the committee, material increases in the revenues will be provided.

The four bills which the committee has recommended the committee thinks are just and equitable and should be passed for the purpose of relieving the general property tax

to that extent, and there can be no argument against them certainly when considered from the standpoint of comparative tax burdens. If those bills are passed, the committee estimates that the revenues of the District of Columbia will be increased a trifle over \$4,000,000 per year.

Some one has asked "What will happen if these bills are not passed." In the District budget submitted to Congress during the last few days the estimates provide for a nearly balanced budget on the basis of the annual contribution from the Federal Government of nine and one-half million dollars. The committee says that if these four bills are passed, so far as the next fiscal year is concerned, the annual contribution of Congress could be reduced to \$5,500,000, but it feels that on account of the economic conditions the District Commissioners and others have perhaps reduced their estimates and their requests to a lower figure than it would be safe for Congress to depend upon as a permanent policy, and it is therefore recommended that the annual appropriation of Congress be not to exceed \$6,500,000. The committee thinks that that amount, together with the constantly increasing valuations of privately owned property within the District, together with these bills which the committee has reported and other legislation which the committee thinks should be passed, will take care of the reasonable increases in the cost of the District government for years to come, and that the margin between the present rate of taxation in the District on general property of \$17 per thousand and the average rate of the comparable cities will more than take care of any emergency or any unusual expansion of the activities of the Government in the District. The report would place the burden of this additional increase upon the people of the District of Columbia themselves, where the committee thinks it belongs.

The committee says frankly that if the bills reported by it are not passed, requiring the people of the District to pay taxes that people in other cities are required to pay, then in its judgment the general property tax should be increased to take care of whatever is necessary to run the government in the District over and above the annual contribution of the Federal Government of \$6,500,000.

Mr. Speaker, I have taken more time than I expected. I now yield 10 minutes to the gentleman from Tennessee [Mr. DAVIS].

Mr. DAVIS. Mr. Speaker, ladies and gentlemen of the House, the chairman of the committee has pretty well covered the report. As suggested by him, I am sure that no member of this committee desired this assignment. I know I sought to be relieved, but it was insisted by those in authority that it was an important matter which some of us should investigate. The members of the committee, I am sure, have all contributed their very best efforts. We have labored long, diligently, and conscientiously in an effort to arrive at proper conclusions with respect to this troublesome question and have made a report and recommendations which we think are in keeping with the facts and the justice of the case.

The question of the fiscal relations between the Federal Government and the District of Columbia, and the relative proportions which each should pay, has always been a controversial question, as you older Members are fully aware.

Mr. BOWMAN. Will the gentleman yield?

Mr. DAVIS. Yes.

Mr. BOWMAN. Will the report of this committee end that controversy?

Mr. DAVIS. I will state to the gentleman from West Virginia that we can not speak as to that. We can make no prediction, but we certainly hope that it may have that effect.

Mr. BOWMAN. Will the gentleman yield further?

Mr. DAVIS. Yes.

Mr. BOWMAN. The gentleman will recall that when this special committee was appointed it was appointed because of the controversy over the fiscal relations between the Federal Government and the District of Columbia. Your committee brings in recommendations for new legislation which are probably all right, but it only makes a recommendation



as to the amount that must be paid or should be paid by the Federal Government to the District of Columbia. Does not the gentleman believe it should have brought in legislation which would fix definitely the fiscal relations between the Federal Government and the District of Columbia? As it is now, we shall continue to have this controversy in every session of Congress.

Mr. DAVIS. Well, I will state to the gentleman that the committee thinks that it has acted in accordance with the instructions given it in the resolution which created the committee, and we have made our recommendation as to the amount which we think is a fair contribution as long as the fundamental conditions remain as they are now. We have recommended, and either have or will introduce, several bills in accordance with the instructions in the first section of the resolution, providing for additional revenue to be raised in the District of Columbia.

Of course the purpose of the creation of this committee was to endeavor to settle this question, at least for a time. We believe that if the membership of the House will carefully read this report and all of the data that are filed with the report and then will hear the debate upon the respective bills as they are taken up for action, they will reach the same conclusions, generally speaking, as this committee has reached.

Mr. BOWMAN. Will the gentleman yield further?

Mr. DAVIS. I will yield once more. My time is limited.

Mr. BOWMAN. I want the gentleman to understand that I am not criticizing the committee nor its report, but I am criticizing the committee because it has not attempted to establish a definite policy for fixing the fiscal relations.

Mr. DAVIS. Well, the committee thinks it has. It has made these definite recommendations. Whether the Congress will accept them or not, of course, we can not now tell. That is a matter to be determined. I think the report and recommendations are as specific as are the directions to the committee.

Now, as I was stating, this has always been a controversial subject. There has never been any uniformity or consistency and, perhaps during the greater part of the time, no logic determining the relative proportion of the payments to the expenses of the District of Columbia. For many, many years the Federal Government contributed 50 per cent to the expenses of the District of Columbia; then for a number of years it contributed 40 per cent; then for a number of years it contributed a lump sum of \$9,000,000 per annum, and during the present fiscal year we have appropriated \$9,500,000. All of those sums were perhaps arbitrarily arrived at and, of course, any sum that may be fixed is perhaps more or less arbitrary. But this committee has thoroughly investigated the subject from every angle. We have undertaken to arrive at a proper basis by comparison with the tax burdens of 22 comparable cities; and we have taken into consideration other features, in fact, every feature which we thought should be taken into consideration.

The committee reached a unanimous agreement except that the gentleman from Wisconsin has filed some additional views, and, of course, he will state his position on the floor. Briefly, he takes the position—which has already been argued to a certain extent in the debate—that we should raise the real property tax of the District of Columbia comparable to that of other cities of like jurisdiction. However, a majority of the members of this committee feel that, as stated by the chairman of the committee, taxes have mounted and mounted throughout the country until they have become burdensome everywhere; that there should be retrenchment and doubtless will be retrenchment throughout the country, and that we, as the legislative guardians of the District of Columbia, should set an example of retrenchment and economy along that line rather than to follow in the wake of increases in taxation and the extravagance in government with which the whole country, perhaps, has been afflicted in large measure for the past many years.

It is a matter of pride to the members of this committee, and I presume to every Member of the House, that this is the

only city of comparable size—and, so far as I know, the only city of any size in this country—which does not have a bonded indebtedness. As the burden and responsibility rests upon Congress to provide for the government of the District of Columbia, we think that this city should not only be made the most beautiful and most attractive city in the world as our National Capital but in so far as we may that we should make it a model city in government and in taxation.

[Here the gavel fell.]

Mr. MAPES. Mr. Speaker, I yield the gentleman five additional minutes.

Mr. DAVIS. As we state in our report, if we have erred, we have perhaps erred on the side of liberality, if we take into consideration the present tax structure in other cities of comparable size; but I think it has always been the disposition of Congress to be generous toward the District of Columbia because of the very great and vital interest the Government and the people of the United States have in our National Capital; and this fact has been manifest during all the past by the fact that the Government first contributed half of the expenses and then 40 per cent, and at least in modern times has never contributed as small an amount as we are now recommending.

Mr. KERR. Will the gentleman yield?

Mr. DAVIS. I yield.

Mr. KERR. What is the value of the Government property in the city of Washington which is nontaxable?

Mr. DAVIS. Some of the witnesses who appeared before our committee stated their estimate of that; in fact, I think the city tax assessor fixed a value of \$320,000,000 of Government property in the District of Columbia, and in that respect it is insisted by at least some of the citizens of the District of Columbia that we should pay a tax or make a contribution by reason of the large investment here in Federal property. But our reply to this is that this property is no burden to the District of Columbia. It, together with the Federal activities, constitutes the chief and almost the sole asset of this city, and because of these buildings and because of the Federal activities there is constantly a large flow of visitors to the National Capital who spend their money here, not to speak of the very large population of Government employees who are here all the time and spend their money in the city of Washington.

Mr. COX. Will the gentleman permit an interruption at that point?

Mr. DAVIS. Yes.

Mr. COX. I have always been trying to find justification for imposing the burden upon all the people of the country of contributing to the support of the District of Columbia. The gentleman, I am sure, is prepared to give the committee's reason for recommending a continuation of that state of affairs.

Mr. DAVIS. I will state to the gentleman from Georgia we thought that the Federal Government, in theory, should contribute the difference, if any, between the expenses of the District of Columbia as fixed by Congress, that is the appropriations, and the amount of taxes that would be raised in the District of Columbia when they were taxed a reasonable amount and one comparable with the amount in other comparable cities. If we should now raise the present tax on property in the District of Columbia to the average of other comparable cities, this would make it unnecessary, according to present appropriations, for the Federal Government to contribute anything.

We have undertaken to make a report that will be valuable and will be a guide to the Congress not merely for the coming fiscal year, but for a number of years to come.

There is one further feature in this connection—

[Here the gavel fell.]

Mr. MAPES. I yield the gentleman one additional minute.

Mr. DAVIS. There is one other feature that the committee took into consideration, necessarily, which has not been mentioned so far as I have heard, and that is that in times past there was quite an accumulation of District of Columbia surplus funds and we have been gradually en-



croaching upon those funds from year to year until they are now practically exhausted, and we will not have that source hereafter to draw upon.

Mr. COX. When the gentleman permitted an interruption I really intended asking the gentleman this question: The gentleman speaks of his committee setting an example to the country. Since the gentleman's committee interpreted the charge given it by the Congress in the setting up of the committee as imposing the obligation to study and recommend legislation looking toward equalizing the tax burden as between the people of the District and the people of the outlying country, and since the gentleman recognizes that the conditions that are now existing in the States and in other divisions of Government are such as can not be reached by any action that Congress can take, does not the gentleman agree that maybe the committee would have been better serving the charge given it by the Congress if it had recommended a tax burden on the people of the District that more nearly equalized that burden with the burden of the people of the country?

Mr. DAVIS. It is a matter of opinion as to whether the committee should have recommended and reported a bill increasing the tax rate on real property in the District of Columbia. We have fully reported the facts, and any Member of Congress who desires to do so is at full liberty to introduce such a bill. The real-property tax is being abolished or substantially reduced in many jurisdictions, and other forms of taxation are taking the place thereof. We submit that if the recommendation of this committee shall be adopted and the bills for raising additional revenue in the District of Columbia which we have introduced and will introduce shall be enacted into law, it would result in very substantially reducing the contribution by the Federal Government. The present annual appropriations for the District of Columbia are approximately \$45,000,000. If the bills which we recommend should be enacted into law, it would not be necessary for the United States to pay over \$6,500,000 of this sum. We recommend that the Federal appropriation not exceed this amount. That is certainly a very considerable saving to the Federal Government when we take into consideration the fact that for a long period of time the Federal Government contributed one-half of all the District of Columbia expenses, and then 40 per cent, and then amounts ranging from \$9,000,000 to \$9,700,000 per annum, the contribution during the present fiscal year being \$9,500,000. The citizens, organizations, and newspapers of the District of Columbia insist that the Federal Government should contribute toward the maintenance of the District of Columbia a much larger sum than that now being contributed, not to speak of a much smaller sum which our committee recommends. You will also find that many—I hope not too many—Members at the other end of the Capitol entertain this same attitude. [Applause.]

The SPEAKER. The time of the gentleman from Tennessee has expired.

[Here the gavel fell.]

Mr. MAPES. Mr. Speaker, the interruptions have caused the committee to take more time than was anticipated. I therefore ask unanimous consent that the time allotted to the committee be extended one-half hour.

The SPEAKER pro tempore (Mr. McMILLAN). The gentleman from Michigan asks unanimous consent that the time heretofore allotted be extended 30 minutes. Is there objection?

Mr. GREENWOOD. Mr. Speaker, reserving the right to object, will that be all the time the gentleman will ask? Will the gentleman conclude in that time?

Mr. FREAR. If the gentleman will permit, I do not know whether it will be all the time required or not. This question is rather important.

Mr. GREENWOOD. There have been many who have asked for time under general debate, and they are here, ready to speak; and in the absence of the floor leader I would not like to consent to more than the 30 minutes requested, because there has been an allotment of time under general debate.

Mr. MAPES. I may say, Mr. Speaker, I desire to yield the gentleman from Wisconsin [Mr. FREAR] one-half hour to discuss his additional views, and we will try to get through in that length of time.

Mr. GREENWOOD. It seems to me that in view of the fact that the gentleman fixed the time in the beginning, he should have taken that into consideration. I shall not object to the 30 minutes, but I shall object to any further extension of time.

Mr. MAPES. I will say to the gentleman that when we fixed the time originally we did not think that the Members of the House would interrogate us as much as they have.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. MAPES. Mr. Speaker, I yield 30 minutes to the gentleman from Wisconsin [Mr. FREAR].

Mr. FREAR. Mr. Speaker and gentlemen of the House, I do not know of any time in my experience here when a committee of the ability and high character of this fiscal affairs committee has disappointed in the results, and brought on the questioning which has occurred here to-day.

I am not going to discuss the general proposition of District affairs to-day, because the bills come up to-morrow, but I do wish to read a portion of my minority report, which contains practically the argument that answers some of the questions asked here to-day.

It has been stated, "Is this beautiful city going to be handicapped?" Why, no. No one advocates that. There is only just one question to consider, and that is, Shall the District pay its fair share of the taxes? The question has been suggested that the people are paying a greater tax in other parts of the country. Surely that is true, and those people are contributing to the \$9,500,000 that makes it easy for the people here to pay so little.

I wish to read briefly from this minority statement, and I think it answers the questions you have been asking and now have in mind. If it does not, I shall be glad to answer any questions if I can get sufficient time to do so.

Mr. BLANTON. Will not the gentleman ask unanimous consent to put the entire statement in the RECORD?

Mr. FREAR. Yes. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. FREAR. Mr. Speaker, the minority report I have filed with the committee is based upon the following facts:

The committee has found that whereas the District of Columbia is now receiving a contribution or subsidy from the Federal Government of \$9,500,000 annually, that compared with 22 other cities of nearest population and character, the District, which means the city of Washington, should pay in taxes and license fees approximately \$14,000,000 or more annually to equal the average amount collected in these 22 cities. That is the committee finding.

After many months' examination, investigation, and deliberation the committee has reported that it recommends a raise in gas taxes, automobile taxes, and presents an estate tax and income tax. These total \$4,100,000 annually, according to estimates, but it should be noted that the estate tax is returned or credited by the Federal Government to the extent of 80 per cent, so that should be deducted from any increased burden to District taxpayers.

The income tax is offered as a substitute for the intangible-property tax, and that, too, is a substitute rather than an increased tax. The real-estate and personal-property tax, which estimated together would reach \$9,298,500, to be placed on a par with the average tax payments of the 22 cities, is ignored by the committee and is by far the largest item, reaching practically the \$9,500,000 annually paid as a District subsidy by the Federal Government in 1931. If this one item of taxes paid by other cities is collected, it would relieve the necessity for any Federal Government contribution, based on present estimates.

The two items which the committee has recommended are, first, a 4-cent gas tax instead of the 2-cent tax now imposed.



In recent years the States of Maryland and Virginia have increased their gas tax to 4 cents and 5 cents a gallon, so the people of Maryland and Virginia have been bootlegging gas to their States whenever possible to do so by purchasing at one-half the gas-tax rate charged in the District of Columbia. That situation has been indefensible, and no objection should be found to immediate favorable action upon that increase.

The automobile tax in like manner has been indefensible because the District imposes a license fee of \$1 with a nominal personal-property tax, whereas the average of the 22 cities reaches \$14, including trucks and other motor vehicles. Again the result is found in the fact that a large number of nonresidents are enabled to take out their license in the District at \$1 each, whereas in their home States they would be obliged to pay on the average from \$10 to \$14 and in some cases more than that amount. These two items standing alone recommended by the committee do not change materially the merits of the tax situation in the District.

In the minority report I have set forth briefly the foregoing facts and given reasons why the full tax should be raised by the District before the various States should be called upon for any contribution. When the average amount of taxes is paid by the District that is now paid by the 22 comparable cities, the Federal Government should make any additional contribution needed to maintain the present high standards of the Capital City. The additional remarks and minority report explains more fully these facts and is as follows:

#### ADDITIONAL VIEWS OF MR. FREAR

These additional views express complete agreement with the facts found by the committee concerning proper taxes to be raised by the District of Columbia, rejection of arguments offered of per capita taxes and Federal property offsets presented by the Government's Efficiency Bureau expert, and appreciation of the splendid and exhaustive work performed by Mr. Lord, the committee tax expert. Some familiarity with city, county, and State tax methods, the latter as State auditor for several years, leads me to express confidence that no better analysis of present tax methods in the District and in comparable cities could have been offered by anyone.

To the committee's conclusion of amount the Federal Government should pay toward the District's support as an annual subsidy, I can find no evidence that warrants the amount recommended or any other amount excepting for temporary emergency until the District is enabled to raise additional revenues found by the committee proper District contributions to the District's support, if measured by comparable cities.

Briefly, the committee finds that 22 comparable cities and the several States in 1930 averaged the following additional tax and license income that these cities are now paying, many of them far beyond the average stated. I believe like revenues should also be raised by the District of Columbia for its own support:

Increased gas tax.....	\$1,600,000
Increased motor-vehicle tax.....	1,000,000
Increased intangibles, income and estate tax.....	1,500,000
Increased public-utilities tax.....	640,000
Increased railway tax (tunnels, bridges).....	175,000
Increased real and personal tax.....	9,000,000

Total increase found equitable..... 13,915,000

The committee only asks for the following additional tax and license revenues to be raised:

Increased gas tax to 4 cents.....	\$1,600,000
Increased motor-vehicle tax.....	1,000,000
Increased estate tax.....	750,000
Increased income tax.....	750,000

Total..... 4,100,000

The above estate tax, by deduction of Federal tax refund, is no net increased burden to District taxpayers.

Thereafter the committee's report recommends that Congress appropriate an annual contribution not to exceed \$6,500,000. In view of the fact that the annual District

contribution for years has been \$9,000,000 and that for the present fiscal year it was increased to \$9,500,000, it is hard to understand on what theory the proposed Federal contribution of \$6,500,000 is recommended to Congress. That amount, added to the revenue specifically recommended to be raised of \$4,100,000, would give the District \$10,600,000, or \$1,100,000 in excess of the amount of revenue now received without any reason offered therefor. If the District raised the revenue found to be received by 22 comparable cities, it will receive annually, approximately, \$14,000,000 additional, or \$4,100,000 more than is now received from all sources.

Mr. Speaker, remembering, as set forth specifically by the committee findings that no national capital in the world with one exception, Argentina's, and no State capital in this country recognizes any duty or obligation to contribute any amount toward the local city government excepting for minor specific services, it is impossible to reconcile the committee findings of fact with the conclusion that Congress should make an annual appropriation of \$6,500,000, or any other amount, for the District support, subject to any temporary needed aid, until the District can have time to put its own tax machinery in order.

For more than a half century fiscal relations of the District and Government have been a matter of constant controversy. This is set forth in the committee report, but I speak also from personal knowledge during a large part of that period. Constant propaganda by local press and interested individuals and organizations have brought about several so-called investigations, but no appreciable reforms.

As one appointed to serve on this committee, without personal desire or expectation on my part, I believe the committee was called upon to present the facts with a fairly constructive proposal to Congress, based on its investigations, unaffected by local press criticism or other propaganda that always seeks to discredit or minimize such reports.

Without a just and proper settlement of the differences between a portion of the 487,000 residents of Washington, on the one hand, and the rights of 120,000,000 people living in the 48 States who contribute toward the annual District deficit, on the other, nothing will be accomplished and the same local tax complaints will continue.

When District business and private interests pay the average tax burdens borne by the rest of the country that now contribute to the District deficit, the Federal Government represented by Congress will not fail to appropriate additional amounts where necessary. That it should do.

Let it be remembered the District was set apart originally by the Constitution with exclusive legislative jurisdiction given Congress for Capital purposes. Those coming here for resident or business purposes were so apprised and knew that ordinary rules of taxation and District support by those having privileges of residence in the Capital were not to be modified or changed.

Those owning property in the District of Columbia should pay for that privilege, in equal proportion to taxes paid in other cities of comparable size and general character that now contribute both to the Federal Government's support and to the District's separate support. Practically all other capital cities do so. What good reason exempts the District?

When the fact is established that District tax rates are lower than in any comparable city in the country, as found by the committee, it is unjust for Congress to grant any appropriation until the rates are equalized. No just basis for any Federal Government District contribution can be found until this tax is adjusted, for these other cities now contribute toward State and Federal Governments and in addition are called upon to pay toward the upkeep of the District.

When its fair share of tax burden is borne by the District, it will be the duty and certainly the purpose of Congress to contribute whatever is necessary to make the Capital City a beautiful, healthful, and great city, second to none in the world.



That information Congress is entitled to, and it has been furnished from the hearings and facts which are analyzed, adopted, and placed before Congress by the committee report.

I shall not presume to repeat complete answers offered by Mr. Lord to District arguments, which appear in different parts of the committee's report, but I ask attention to that part of the committee's report based on Mr. Lord's analysis of all the records in which the committee says of by far the largest taxable item:

The adjusted tax rate in the city of Washington, based on the assessed valuation of all real and tangible personal property at a ratio of 90 per cent of its actual value is the ratio that the assessor, Mr. Richards, advised the committee is the ratio at which he assessed property, or \$15.30 per thousand dollars valuation \* \* \* the average adjusted tax rate for all the 23 cities, including Washington, is \$23.68 per thousand valuation, or \$8.38 more than the \$15.30 rate that obtains in the city of Washington. Excluding the city of Washington, the average adjusted tax rate in the other 22 cities is \$24.21, or \$8.91 per thousand more than obtains in the city of Washington.

In this connection, if we take a piece of property having a full value of \$10,000 and apply the adjusted tax rate, we find in the city of Washington the owners of such a piece of property would pay a tax of \$150, compared with the average tax of \$242 paid by the remaining 22 cities.

From that committee report it is disclosed the Washington tax rate collected is about 63 per cent of the average rate paid by the other 22 comparable cities. All the tables and data placed before us warrant and sustain the above finding.

Comparisons of city management, State, county, and other taxes and bond issues are all treated in the committee report. Washington and the District have no bond issues, because the District has been enabled to pay as it goes, through the continued subsidy paid by the Federal Government that does not obtain elsewhere in the world.

That is only referred to in disclosing one of several arguments advanced by District witnesses who professed to believe 22 comparable city tax payments ought not to govern, because of local conditions now covered by the \$9,500,000 annual Federal subsidy.

The committee report effectually answers all such arguments and with that feature of the report unanimously adopted, I heartily agree. Having unanimously agreed also in the several findings of fact wherein the District is disclosed to be undertaxed on every important item I have adopted conclusions in conformity with the committee findings.

It is disclosed by the 1930 tax report that Washington has \$1,182,453,345 worth of real property on its tax roll, exclusive of Federal property, taxed at \$1.70 per \$100, producing that year \$20,101,877; personal property reported was \$107,206,520 also taxed at \$1.70 rate per hundred, producing \$1,822,510; intangible property reported was \$545,188,143, taxed at only a 50-cent rate per \$100, producing \$2,725,940.

In other words, the tangible personal property of Washington is about 9 per cent of the real property, and the intangible is nearly one-half of the real property, but instead of receiving \$9,265,500, if taxed at \$1.70 per \$100, the same rate as real property or intangibles, it is taxed at 50 cents per hundred and so returns only \$2,725,940. No justification of the small rate is offered.

This illustration is no reflection on the assessor or District Commission but shows the inadequacy of a tax system compared with local income tax, gift and inheritance taxes that ought to be made a part of the District system because of fairness and means of better enforcement. I agree with the committee's action in these minor tax measures but also believe other more important undertaxes should be likewise increased.

Mr. Speaker, the committee's tax expert has collated reliable facts, in my opinion, that disclose, if the District pays taxes equal to those paid by 22 comparable cities, it should have paid in 1930 approximately \$14,000,000 more than was paid by favored District taxpayers. The estimate, I understand, is probably under the actual amount that should be collected.

A few items are here briefly discussed that rest on these findings of fact. The committee report states that the gasoline tax of the country ranges from 3 cents to 7 cents per gallon in 45 States, with 3 States retaining a 2-cent tax rate.

Maryland has a 4-cent rate, West Virginia 4 cents, Virginia 5 cents, and North and South Carolina levy a tax of 6 cents per gallon. These are rates of States near the District. The committee report recommends a rate of 4 cents, slightly less than the average tax rate imposed on gasoline by the several States.

It is clear that a rate of 4 cents a gallon is more just and equitable, because all the 48 States are now contributing to the \$9,500,000 fund which represents the District's needs. A 4-cent gas-tax rate, according to the report, will add approximately \$1,600,000 to present District tax receipts and help meet any deficit.

The motor-vehicle tax, according to the report, if raised to an average of \$14 per car, the average paid in 1930 in the United States, will increase receipts from that source approximately \$1,000,000. The average motor tax paid by 48 States which contribute toward the \$9,500,000 deficit in District income emphasizes the justice of continuing the increased gas and motor tax principle to a like increased real estate and personal property tax. This increased rate is found in the comparable 22 States to be an adjusted average of \$24.21 per thousand dollars, compared with \$15.30 now paid by the District on an increase of \$8.91 per thousand on such taxable property.

An average inheritance or estate tax, the committee report finds, at a reasonable rate will produce an annual revenue of "not less than \$750,000 annually." That is a proper tax, which will help reduce the District deficit of \$9,500,000 now paid by the 48 States, and should be enacted into law. Due to the 80 per cent refund or credit on Federal estate-tax collections, this is no added burden to the District taxpayer, but on the contrary is a net increase in the Federal Government's District contribution.

The committee finds an average income tax will increase the income now received from intangibles "by not less than \$750,000 annually." The tax should also be imposed by Congress that equally represented the 48 States which now annually contribute \$9,500,000 toward the District revenue deficit. These tax increases, the committee is informed, are very conservatively estimated.

The committee finds that an ad valorem tax on public utilities, a just method of taxation, would increase District receipts from that source from \$1,611,000 collected in 1930 to \$2,500,000, or \$900,000 annual increase with which to help reduce the \$9,500,000 annual District deficit now contributed to in part by the 48 States. If assessed at 90 per cent of true value, then \$640,000 would be the increase. That tax should be collected for reasons already advanced.

The committee finds that if instead of exempting specific railway property, such as tunnels, bridges, and so forth, against the protest of the city assessor and ordinary tax procedure, additional receipts from this needed correction would add approximately \$175,000 to the District annual revenues with which to meet its annual \$9,500,000 deficit. It is a small comparative item but certainly a proper increase.

In the largest item of undertaxation, real estate and personal property, the committee finds in effect that if the District imposes an average tax rate of \$24.21 per thousand on the average adjusted rate paid by 22 comparable cities as set forth in the hearings, an increase over the \$15.30 Washington adjusted rate now paid will bring to District revenues, based on 1930 receipts, \$31,222,907, or \$9,298,520 additional annual receipts from this item, with which to meet the \$9,500,000 deficit now found in District collections.

By far the larger part of this committee's work was employed in developing this \$9,298,520 undertax. It is nearly two-thirds of the \$14,000,000 undertax in the District disclosed by the committee. If brought up to average tax rates in 22 comparable cities the committee finds this one item



would practically offset the Federal Government's \$9,000,000 annual contribution in past years.

No logical reason is offered for failing to recommend this justified increased tax.

The committee adopted in its report the results found by its tax expert, Mr. Lord, who, after a long and voluminous correspondence and questionnaires sent to officials and business organizations in all comparable cities, secured all available data. This investigation covered 23 comparable cities, of which Washington has the lowest comparative adjusted tax rate of \$15.30, compared with a high tax rate of about double that of Washington in one or two cities and an "average adjusted rate of \$24.21, or \$8.91 per thousand more than obtains in the city of Washington." Actual values and tax rates were brought down to a common basis, as disclosed by tables and other data in the hands of the committee.

The 23 cities and adjusted rates so found are as follows:

City	Rate	City	Rate	City	Rate
Louisville.....	\$30.80	Jersey City.....	\$30.34	Newark.....	\$29.55
Boston.....	29.26	Memphis.....	28.94	Seattle.....	28.56
Minneapolis.....	28.54	Buffalo.....	27.67	Portland.....	26.89
Pittsburgh.....	26.60	Milwaukee.....	26.34	Denver.....	24.26
Rochester.....	24.01	Baltimore.....	23.40	Cleveland.....	23.08
Atlanta.....	21.70	San Francisco.....	20.20	Dallas.....	18.18
Cincinnati.....	17.68	St. Louis.....	17.61	Providence.....	17.68
Kansas City.....	17.58	Washington.....	15.30		

Mr. LINTHICUM. Mr. Speaker, will the gentleman yield?

Mr. FREAR. Yes; certainly.

Mr. LINTHICUM. I want to know whether that includes the State tax.

Mr. FREAR. It includes all, because there is no State tax. In the District the \$9,500,000 subsidy is taking care of all District taxes. No county or State tax can be properly considered here.

Mr. LINTHICUM. I mean in these cities, because if that is so, the figures are not correct so far as Baltimore is concerned.

Mr. FREAR. From the foregoing it appears for illustration that the city of Milwaukee with a comparable population of 578,249 to Washington's 486,869 and an adjusted tax rate of \$26.34 or \$11 more per thousand than the \$15.30 of Washington, is also \$2 per thousand above the average tax rate so found. In other words, the total tax paid in Milwaukee is 70 per cent more than the tax paid in Washington.

The city of Milwaukee paid a State income tax of \$7,547,403 in 1930 in addition to the Federal income tax and also contributed to the \$9,500,000 subsidy granted the city of Washington. For reasons which can be amplified, it is certain Milwaukee is as efficiently managed as the District of Columbia, yet pays a much higher tax.

In a newspaper published in Washington, last evening's edition, you will see the contribution from the District of Columbia, how much more it pays than it receives back from the Federal Government. I want to give now two or three illustrations that might be interesting.

In a large majority of the comparable cities additional rates on automobile, gas, and other items have been paid in recent years, all of which are now recommended for Washington to pay, as the proposed Washington rate. This would produce \$14,000,000 additional revenue on the average rates collected in 22 comparable cities named.

Contributions to the Federal Treasury and payments back to the contributors are studied by the States more than by local beneficiaries.

For 1930, the same year, the following payments and receipts by and from the Federal Government are noted in several of the States.

Pennsylvania paid in \$230,202,064; percentage returned, 3.1.  
Michigan paid in \$137,076,199; percentage returned, 2.8.  
Illinois paid in \$247,137,637; percentage returned, 1.7.

Among the smaller payments were—

Wisconsin paid in \$35,512,796; percentage returned, 12.3.  
Tennessee paid in \$16,478,693; percentage returned, 15.5.  
Texas paid in \$38,884,521; percentage returned, 22.6.

The largest payment and the amount returned—

New York paid in \$928,955,021; amount returned, \$8,727,208, or less than 1 per cent.

The District of Columbia received more than any State in its subsidy, \$9,500,000. This discloses another reason why Washington should properly pay the same tax rate as is now paid by 22 comparable cities.

The committee report is supported wherein it briefly discusses and unanimously rejects the Bureau of Efficiency effort to justify present District tax rates by "per capita" comparisons or the setting off of Federal property against local property on the tax roll to determine the subsidy to be granted.

A per capita tax-rate collection comparison of a city or State would be of no relative value for many reasons, some of which are set forth in the committee report. Nowhere in the world, according to the hearings, is it attempted or supported by any tax authorities or communities. Property and not individuals is alone the subject of taxation, and no averaging of the combined tax paid by Mr. Mellon, who is credited with possibly a billion dollars in property, and that of his butler gives any relative data for their separate holdings or those of any other two individuals. Another plan was suggested by the Efficiency Bureau of setting off Federal Government property against District property, with estimated sentimental, monumental, and other values on public buildings. It also included personal property belonging to the Government reaching \$180,000,000 but slashed to \$90,000,000 because of "depreciation." Added \$90,000,000 of intangible Federal property for money in the Treasury, debts, credits, and so forth, afforded an equally novel but unsound tax theory.

That policy, known nowhere else in the world, if of any value or justification, would warrant charges against the national governments of all other countries and also of hundreds of cities in our own country containing Federal buildings, lands, and other personal and intangible property. States with national parks and many millions of forest and other lands would be knocking at the doors of Congress for like subsidies on that argument offered by the Bureau of Efficiency.

These additional views are filed with no conscious prejudice for or against District residents. The same consideration only is asked which every Member would have for his own district and State, a square deal not induced by fear or extraneous arguments or one which could not be successfully defended before any jury of taxpayers drawn from outside the local district. For reasons set forth by the committee and based on the findings of fact with the 22 comparable cities, it seems impossible to reach any other logical conclusion.

Justice to the remaining 22 comparable cities which we equally represent requires an approach to their average tax collections by the District before they are called upon to contribute any part of their own revenues, however small, to the undertaxed District. This certainly justifies a condition that the District increase its revenues \$14,000,000 by taxing its real and personal and other properties the same as the 22 comparable cities.

Let me say I appreciate the spirit of my colleagues on the committee, their unstinted labors in trying to ascertain the facts and reach proper conclusions. Instead of assuming to criticize or find cause for disagreement, these views are offered in a belief that the value of the committee's labors and report should be reflected in a correct tax solution, which may serve as a guide for District tax adjustments, both now and in the future. Some emergency aid until appropriate legislation can be had would, of course, be needed, but any permanent tax adjustment should take into account the findings of fact by the committee. It is for the Congress, then, to make such contribution or subsidies as may be found just and proper. [Applause.]

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. FREAR. Yes; certainly.

Mr. BLANTON. The gentleman limits the subsidy the District receives to the \$9,500,000. What about all of the



millions that we are spending here for the improvement of the city? They are subsidies also.

Mr. FREAR. Oh, of course there is more than that in direct subsidy. I had to telephone three or four different people at the Treasury yesterday to find out what the total subsidy is. They receive aid from the Federal Government to take care of the militia and in other ways. All I am asking is that when they make statements in the press that the District pays \$14,000,000 or \$15,000,000, they should also state that they get back this subsidy of \$9,500,000. No State of the 48 receives as much, and New York last year paid into the Federal Treasury as stated \$928,000,000 to help run the Government. It received back less than 1 per cent. The District received back about 66 per cent or two-thirds of its payment into the Federal Treasury. This is not so important if the District pays the same taxes relatively as other cities. The committee has reported unanimously, based on careful studies, it does not.

Mr. Speaker, I agree with the gentleman from Michigan [Mr. MAPES] that none of us wanted this assignment, none of us asked for it or thought that we were going to get it. We are trying to do the best that we can in arriving at a just decision.

Mr. LINTHICUM. Mr. Speaker, will the gentleman yield?

Mr. FREAR. Yes; certainly.

Mr. LINTHICUM. I want to know whether the committee took into consideration the State tax that those cities had to pay in addition to the city tax.

Mr. FREAR. The District pays no outside tax, for the Federal Government supplies the fund that meets all its deficit. The comparable cities' taxes paid over the counter were considered.

Mr. CANNON. Mr. Speaker, will the gentleman yield?

Mr. FREAR. Yes; certainly.

Mr. CANNON. I want to say that the gentleman has contributed materially to the discussion of this question. As I understand it, these tables of statistics will be published with the report?

Mr. FREAR. Yes.

Mr. CANNON. Do the minority views approve the correctness and accuracy of these figures?

Mr. FREAR. Every one. I agree with the committee in its findings of facts based on exhaustive studies.

Mr. MAY. It is doubtless true that all of the cities outside of the District of Columbia, for which the gentleman has made comparisons, are suffering from industrial wants that do not exist in the District of Columbia, due to the Government pay rolls and building projects—

Mr. FREAR. Between \$150,000,000 and \$200,000,000 is disbursed every year here by the Federal Government that stabilizes business, and the Government cares for its own property generally.

Mr. MAY. Is not that additional reason why the District of Columbia should bear an additional tax?

Mr. FREAR. Assuredly. I don't think there is any question about that.

Mr. GARBER. The gentleman states that he agrees with the members of the committee as to the finding of fact.

Mr. FREAR. Yes.

Mr. GARBER. Will the gentleman state to this committee the difference in the policy as suggested by its conclusions and that adopted by the committee in making its findings.

Mr. FREAR. My conclusion is that the people of the District ought in the largest one item to pay \$9,000,000 more on real and personal property, and they ought to pay more on their public utilities.

Mr. GARBER. The gentleman means to equalize their payment of taxes with the rest of the cities referred to?

Mr. FREAR. Yes. That is what we were expected to study and ascertain. Our conclusions, I believe, should conform to the findings of fact in which we were agreed.

Mr. MAPES. May I say there has been no attempt to cover the subject matter of the report which the committee has filed in detail. The members of the committee took this means of calling the attention of the House to the re-

port, and we express the hope that those of you who are interested in it will read it and the bills and the reports accompanying it, which the committee has submitted.

There are some features of the report which have not been referred to in the statements made this afternoon. We would be pleased and complimented if the Members of the House generally would read the report as filed to-day.

Mr. GARBER. Will the gentleman inform the Members when the report and the copies of the bills will be available?

Mr. MAPES. I think late this afternoon. If not, the first thing in the morning.

Mr. GREENWOOD. Do I understand that concludes the debate by the members of the Special Committee on Taxation in the District of Columbia?

Mr. MAPES. Yes.

Mr. Speaker, I yield back the balance of my time.

#### THE PRESIDENT'S MESSAGE

Mr. GREENWOOD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the President's message.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the President's message, with Mr. LOZIER in the chair.

Mr. PURNELL. May I ask the gentleman from Indiana [Mr. GREENWOOD] if he will permit me to yield 10 minutes to the gentleman from Pennsylvania [Mr. WARSON] in order that he may attend the session of the Committee on Ways and Means? I think that was the understanding with the majority leader.

Mr. GREENWOOD. I am willing to do that. I had understood that the gentleman from Pennsylvania [Mr. McFADDEN] was to be yielded time now; but if he is willing, I will be glad to make that concession.

Mr. McFADDEN. I will be glad to yield to my colleague Mr. WATSON.

Mr. PURNELL. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. WATSON].

Mr. WATSON. The United States under President Wilson's administration assumed in the major part the responsibility of financing the World War. Delegates from our allied nations were permitted, perhaps invited, to appeal in person to the Congress for war loans. Each representative promised that the amount borrowed would be repaid. There is no doubt they were sincere in their statements. Thus the people of the United States, prompted by patriotic obligations, purchased bonds amounting to \$10,000,000,000.

The world to-day seemingly is financially bankrupt. Nations claim to be unable to meet their debts. Congress is therefore called upon to extend a 1-year moratorium, hoping for a financial recovery within that period. Groups of men noted for their special qualifications have met many times since the armistice in various parts of Europe to mark a road by which the nations may return to their pre-war prosperity. The unparalleled progress in science within the decade has radically changed the public policies, developed an evolution in material affairs that has involved an economic revolution in the civilized world.

Upon this revolution will be built a new civilization, which will be superior to the present as the present one is superior to that of the Middle Ages. I do not believe that the end of civilization is near; but, to the contrary.

The parliamentary proceedings of the past now governing the actions of men and the legislators of the day, noted for their statesmanship, have failed to solve the present international problem. It will take men schooled in the new, not the old, political science to cut the Gordian knot that will bring the kingdom of prosperity and universal domestic happiness to the world.

The Democratic Party has control of the House. The hope of the Nation rests with the Democratic Congress to solve the intricate problems of taxation in order to meet the war deficit and to adopt a foreign policy that a moratorium of debts will not be extended to an indefinite period.



That there is a serious deficit can not be denied. I would prefer taxes be not increased, but rather exercise strict economy in every governmental department, but this is a political impossibility, a policy that has never been adopted by a nation in any period of history, though facing a repudiation of its debts.

The income and corporation taxes will not yield a revenue as in the past. Railroads are not earning operating expenses; great industries are in default for want of orders; individuals and banks are investing in nontaxable Government and municipal bonds. The decreased earnings of wealth will greatly lessen the receipts, and the revenue bill of 1932 will necessarily carry new sources of taxation.

France has a luxury tax. It is workable, but rather complicated. Its sales tax brings a revenue of about \$25,000,000; it is a levy of 2 per cent upon gross receipts.

I am opposed to a moratorium of the foreign debts beyond one year. I can not understand the domestic policy of taxing our people in order that the debtor nations may give work to their labor, build up an industrial policy and a military strength contrary to the interests of the American people.

When Great Britain accepted the debt agreement, Sir Frederick Wise, a member of the British Parliament, in a statement on the external debts, said:

This is the first time Great Britain has ever had an external debt. It is practically all owing to the United States, and is therefore in dollars. An external debt is a dangerous debt, as the British Government has not the control of it. I think 1923 will be a memorable year by reason of the funding of the British loan to the United States. The Hon. Stanley Baldwin, in arranging this debt on a funded basis, did a great service to the country, and acted as a statesman of supreme quality; by doing so he has saved the country millions of pounds and he has advanced the credit of Britain by millions of dollars in the eyes of the world.

If all the debtor nations had taken the same view as the British statesman, I doubt if the President would have asked for a moratorium. I wish to express very strongly my opposition to temporarily reducing the salaries of Government employees as a policy of raising a revenue. It is nothing more or less than a capital tax—a petty and ignominious method of collecting revenue without expense to the Government.

[Here the gavel fell.]

Mr. PURNELL. I yield to the gentleman from Pennsylvania [Mr. WATSON] one additional minute.

Mr. WATSON. I would rather approve taxing every person receiving an income over \$2,500 a year if such a policy were really needed.

I recall a Government employee, a married man with a family, who appealed to me for increased salary. After one year of almost continuous effort the increase was granted. When I told him he was successful, he left the office with tears of gratitude. One hundred dollars means a great deal to a Government employee.

Mr. GREENWOOD. Mr. Chairman, I yield to the gentleman from Georgia [Mr. LANKFORD] such time as he may desire.

Mr. LANKFORD of Georgia. Mr. Chairman, I ask unanimous consent to extend my own remarks in the RECORD and to include several letters, two telegrams, and a statement issued by me as carried by the Waycross Journal-Herald in my district.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent to extend his remarks in the RECORD and to include the documents to which he has referred. Is there objection?

There was no objection.

Mr. LANKFORD of Georgia. Mr. Chairman, at this time I wish to discuss the foreign-debt-moratorium proposal, the application of the railroads for freight-rate increase, and my idea of real farm relief.

I endeavored to make my position clear on the first two subjects just named by a letter written by me to President Hoover on the 24th day of June last and a statement filed by me with the Interstate Commerce Commission on the 3d day of last August.

I shall now insert each of these documents in the RECORD without further comment, except to say I hope to discuss further both of these in the near future.

The letter to President Hoover is as follows:

WASHINGTON, D. C., June 24, 1931.

HON. HERBERT HOOVER,

*The White House, Washington, D. C.*

DEAR MR. PRESIDENT: I am just in receipt of your telegram asking for my views concerning your proposal in respect to postponement for one year of all intergovernmental debts.

With greatest personal regards and with full faith in your honesty of purpose, beg to state I am at complete variance with your views on this vitally important subject.

Being unalterably opposed to the cancellation of the debts due the United States by foreign nations, believing that the foreign-debt-settlement program put through a few years ago was the beginning of a total debt-cancellation scheme and campaign, and being convinced that the present debt-delay proposal will constitute a tremendous advance, becoming an entering wedge for a great drive for complete cancellation to follow in the near future, I find myself bitterly opposed to the proposition.

The cancellation of practically all the indebtedness of a financially embarrassed person is certainly very beneficial to him and to his specially preferred creditors, who do not cancel but collect their claims in full together with interest, bonuses, and other tremendous profits. Of course, there is great rejoicing among foreign debtor nations and all international bankers and other big interests in our country and elsewhere who are creditors of these foreign nations or are holders of foreign bonds or have foreign investments and who selfishly feel that real prosperity is embodied in their accumulating more and yet more wealth at the expense and to the destruction of the common people.

The same reasons that are now urged for postponement were advanced for the recent foreign-debt settlements. The same reasons will be set forth a little later for complete cancellation. The motive of the foreign debtor nations, as well as that of the international bankers, foreign creditors, and bondholders, has been, is, and will be, the same. They are not at all concerned about the welfare of the American people as a whole, but are interested in the accumulation of billions of ill-gotten gold.

Foreign investments, stocks, and bonds may temporarily advance because they will be made more valuable by this lavish donation of the money of the American people. This advance no doubt will temporarily help the American bond market. Even farm products for the present may gain a few cents. Why not? With millions and eventually billions of the people's money dished out to great corporate interests, they can afford to return a few paltry pennies.

In my humble judgment, this is but another attempt to usher in prosperity by adding additional wealth to those already a menace to our Nation because of their great wealth. The true criterion of prosperity is not the amount of food in storage but the amount of food that is used, keeping both the producer and consumer from hunger; not the cotton or wool in the hands of the speculator but that which has paid the obligations of the producer and is clothing mankind; and not the money in the vaults of banks or treasuries but the money that is in the hands and pockets of all the people.

When the blood ceases to circulate, the individual faints. If circulation is not restored, death ensues. To-day there is financial congestion in the big money centers. The financial fluid of the Nation is not circulating. There is not only dizziness but a complete financial collapse. Circulation must be restored. Greater congestion will not help but will retard recovery.

Let's not be so concerned about the accumulation of additional money in the hands of the few. Let's get it going on its endless mission of good in the hands of the many. Help the farmer get a fair price for his efforts, the laborer reasonable pay for his toll, and the individual private citizen a good return for his part in the economic scheme of things; then give them a square deal and all the employment they desire, and prosperity and happiness will be abroad in our land.

As water from the highlands on its way back to the sea makes a paradise of a desert, so the happiness and success of honest labor and effort and the money of the many flows back through the channels of commerce to the centers of great wealth, bringing prosperity out of chaos.

Great dividends and the high prices of stocks may not, and oftentimes do not, indicate prosperity for all the people. Many times they mean the taking of unfair and unconscionable profits to the detriment of the common people, eventually bringing about a nation-wide financial depression. Prosperity is wealth of the many, not of the few. Idle money in the hands of the few, locked in vaults of steel, is as useless to the masses as the salty water in the bottom of the sea is to the parched hillsides of the desert.

I respectfully contend that the transfer of large amounts of American money to foreign nations, either by foreign-debt postponement or cancellation schemes or other devices, dries up the needed resources of our common people and pauperizes our own citizenry. Foreign peoples get the benefit of money that should be kept here, giving employment to labor and bringing prosperity to our farmers. The present debt-postponement proposal certainly encourages, aids, and abets foreign loans and investments by the international bankers and is in their interest and, as I see the



proposition, is detrimental and destructive to the rights of our great common people.

What this country needs to-day is not more help for great wealth, either at home or abroad, but help to the common people so that their prosperity will spread far and wide, covering our whole Nation.

The question is not whether the present suspension scheme will temporarily help big business get more money, but is whether it will permanently help the Nation as a whole—and the common people are an important part of the Nation. The all-important vital question is what good will this suspension of payments of foreign debts do for the farmer who bought Liberty bonds to the limit, sent sons across the sea to suffer, fight, and die in a foreign land, whose home has been sold, or is now being sold, by his Government under foreclosure proceedings, and to whom and for whom his Government has never suggested a moratorium of his debts or his interest, but with a ruthless hand is demanding of him payment in full as is "nominated in the bond." What good will this suspension scheme do the millions of laborers who are out of a job and are begging for bread? What good will it do the millions of mothers and fathers whose boys are buried in Flanders fields? What good will it do the millions of naked freezing backs and hungry mouths in our own land? What good will it do the mother of the unknown soldier with her son buried yonder in Arlington while she is ragged and cold in a bread line, with her Government refusing to appropriate money to buy her a bowl of soup, while it is graciously donating millions of money—her money, and money of other fathers and mothers like her—to peoples of other nations across the sea?

At the close of the World War foreign nations owed the United States enough money to have paid off every loan and all taxes for many years on every farm of every farmer in America, and to have built every farmer a good home, and installed a farm-relief program that would have insured the prosperity of the American farmer and his folks forever.

What are we doing with these enormous assets? The answer is unbelievable. This Government we love to call ours is donating practically the whole of this enormous amount of money to foreign governments and peoples, is foreclosing with an iron hand loans under Government control against the homes of the American farmer when interest is past due, is taxing manufactured tobacco more than twice as much as the farmer gets gross for producing the raw material, is refusing to loan back to this farmer for production purposes even one-twentieth of the money raised in taxes from tobacco grown by him, is falling and refusing to put into effect any really worth-while farm-relief program, and is bringing about and perpetuating an economic system which means the ultimate destruction of the farmer, the laboring man, and the individual, independent American citizen and their Government.

My dear Mr. President, these reasons and others force me to respectfully inform you that when the present foreign-debt-suspension proposal comes before the Congress I shall vote "no."

With highest personal regards, I am, sincerely yours,

W. C. LANKFORD.

Mr. Chairman, the statement filed with the Interstate Commerce Commission is as follows:

WASHINGTON, D. C., August 3, 1931.

The INTERSTATE COMMERCE COMMISSION,

Washington, D. C.

GENTLEMEN: I respectfully submit that the greatest problem before our people to-day is what can we do to save the farmer. The next greatest question is what can we do to save the railroads? At the present neither is getting a square deal. The farmer never did get a square deal. The railroads for a long time received their share and oftentimes more than was justly coming to them. This has all changed, though, and both the farmers and the railroads are severely and unjustly suffering from causes which can not be charged solely and only to the present general financial depression. Both should do everything possible to help themselves, and both should receive help at the earliest possible moment from well-considered State and national legislation.

The problems of neither can be fairly solved by increasing the burdens or by making more numerous and complex the problems of the other. For instance, a scheme or device to take the freight and passenger business of the farmer away from the railroads without some special benefit to the farmer would not be a proper solution of any part of the farmers' problems. Neither would a 15 per cent increase of freight rates on farm products be a proper solution of any of the problems of the railroads. Such an increase would injure the farmers, would not help the railroads, and would leave the problems of both more numerous, more burdensome, and more complex. The trouble with the railroads is lack of business. The increase of freight rates on farm products would not give more of this business to the railroads. On the other hand, it will drive this business away from them. Even at the present rates, the farmer is turning his back on the railroads, is hauling by private conveyances, is patronizing the trucks, and letting his products rot in the fields rather than pay freight charges greater than he receives for the products. An increase of freight rates means less farm products hauled by the railroads and more by other means and more to rot and not be hauled at all.

Let the freight charges be made too high on farm products and the railroads will not haul any considerable amount of farm products. The time was when the farmer had to patronize the railroad if he secured fast, long-distance transportation of his products. He was at the mercy of the railroads. That time has

passed. With good highways and present methods of transportation, the farmer can absolutely do well and let the railroads be destroyed, except in so far as they serve him in other ways than by hauling his products.

The farmers are fast finding that the economical way to transport their products is by means other than railway freight. They are adopting these methods. An increase in freight rates on farm products will not help the railroads unless they wish to haul more empty cars and less loaded ones. In most instances it does not now pay the farmer to load his products on trucks, carry them to the railroad, reload on a freight car, await their transportation by slow schedules, when they must be unloaded at their destination and reloaded into another truck and finally delivered to the merchant for the wholesale or retail trade. It is a cheaper, quicker, better process to use trucks to carry the products directly from the farm to their final destination.

In order to get and keep the business of the farmer the railroads must give cheaper, better, and quicker service. This is also true as to all other classes of freight and passenger business. The railroads can not win their fight for more freight business by increase of rates, poorer service, slower schedules, more red tape, and fewer trains. Neither can the railroads build up nor even keep their present passenger business by increase of passenger fares nor by taking off trains nor by giving poorer service generally. All these things which many of the railroads are now doing and seeking to do are driving business to competing carriers and away from the railroads.

In fact, it is evident to my mind that the railroads, either knowingly or unwittingly, are destroying their own business and building up the business of the truck and bus lines. For my part, I believe in many, if not in most, instances they know well what they are doing and that there is method in their madness.

I have evidence which convinces me that the railroad officials of some, if not all, the big lines have, with malice aforethought and deliberately, decided to buy up or establish large competing bus and truck lines, drive all business possible from railroads to these lines, destroy and junk all short-line railroads, whether owned by them or others, freeze out all independent bus and truck lines, take off every passenger and freight train possible, discharge thousands upon thousands of train, shop, track, and office employees, effect certain consolidations or mergers and bring about the most gigantic, powerful, and dangerous traffic monopoly the world ever saw.

This scheme, if accomplished, would mean a tremendous loss to the working man, the farmer, and the great mass of American people. Thousands upon thousands of men now employed by the railroads would be forced to seek employment elsewhere. Thousands of miles of railroads would be junked in every State and an enormous amount of taxable property would disappear from almost every county and small city in the Nation. In many counties the tax burden of the average citizen—now almost unbearable—would be almost doubled. The people would be taxed to the limit to keep up the public roads over which this gigantic trust or associated trusts would be hauling passengers and freight without competition. I said without competition, and I meant just that. The independent bus and truck lines, as well as all railroads, except a few through, long-haul, long-distance lines would have been destroyed. This powerful traffic monopoly would be attempting to maintain the same high freight and passenger fares they now have and are seeking to establish. It would be using every device known to the ingenuity of able lawyers to capitalize all such incorporeal rights as easements, good will, licenses, or grants, franchises, and so on.

They would go into court and absolutely prove that the exclusive right or privilege of hauling passengers for hire over a public road kept up at public expense is very valuable. It could be easily shown that this right is much more valuable than the right to haul passengers or freight over a railroad owned by the railroad and kept up by the railroad, on which the railroad pays taxes and on which there are operated trains giving employment to thousands of men.

The more the public taxed itself to build good roads and bridges, the more valuable would become the exclusive right of the monopoly to haul freight and passengers over the road owned, maintained, and improved by the public, and the more this giant monopoly could capitalize good will, franchises, easements, and every other known fictitious value to squeeze more and yet more passenger fare and freight charges out of the public. This monopoly would pay no real tax to the various cities, counties, and States. The people would be paying tribute and taxes to this traffic monopoly.

This juggernaut would not be hiring men to keep up its roadbed. The public would be doing this, and this greatest of trusts would be using the public's road, driving the public into the ditch and charging the public for the outrage.

Activities which are to be the entering wedge for this kind of an orgy are already evident on every hand. The camel's nose is already under the tent. The Supreme Court decision generally known as the Baltimore street-railway case, shows the workings of the monopolistic mind in these matters. The situation is acute. There should be prompt action to save the physical railroad properties for the stockholders, financial investors, and the general public, and there should be equally prompt action to save the public roads for the public. The increase of freight rates on farm products or on other easily handled articles will not help save the physical railroad properties for the employees, the farmers, and the great common people; neither will these increases help save



the public roads for the use of the public, but will hasten and augment the destruction of both.

The physical properties of the railroads should be saved from destruction regardless of whether the attempt to destroy is by the railroad owners or others. An increase of freight rates on farm products and other easily transported commodities is, in my candid opinion, not in the interest of the laboring man, or the farmer, or the masses, and can only mean further unemployment, unreasonable reduction of wages, and greater tax burdens for the people. It is not in the public interest that the railroads be permitted and encouraged to engage in the truck and bus business on the public highways in competition with the railroads' own lines.

This can only mean a further increase of bus and truck business by the railroads and a wholesale discharge of employees, and still further curtailment of railway service, finally leading to the destruction of a large part of our physical railroad properties. An increase of all freight rates at this time, to my mind, can only be in furtherance of this shifting of transportation and the economic loss that will be occasioned thereby.

Let me say just here that I am very much alarmed about the present transportation situation. I favor saving the railroads by any and all fair means. Every reasonable law to save them and yet protect the public, should be enacted by Congress at once. I have some well-defined ideas about proposed legislation along this line, as was indicated by several amendments offered by me in the House at the last Congress when the bill to put motor busses under the Interstate Commerce Commission was up for consideration.

The railroads can succeed by rendering the greatest possible service for the least possible charge. It is not right that they should, and they will not succeed by unfair tactics, dishonest manipulations, gross favoritism, basely discriminatory laws or regulations, or by rendering the least possible service for the greatest possible charge.

I believe the railroads can profitably haul the freight of the country cheaper, faster, and more satisfactorily than it can be done by truck lines or by private conveyances. This, of course, means cheaper freight rates, more and faster loaded trains, better service generally and not higher freight rates, fewer and slower unloaded trains, and more unsatisfactory service.

I firmly believe the railroads can very profitably handle the passenger business of the country much cheaper, much safer, and much more satisfactorily than it can be handled by busses or by private conveyances. For emphasis, let me say, I believe the railroads can make train travel so pleasant, the schedule so convenient, fast, and frequent, the passenger rate so cheap, the service so safe and satisfactory until even the owners of automobiles will not use their cars over a parallel paved highway, buying oil and gasoline and taking the traffic risks, but will leave their cars in the garage and use the railroad coach instead. This kind of service, though, means better, faster, more frequent service and more—not less—courteous, skilled, experienced employees.

To my mind, the railroads are about to make an abject surrender rather than wage a noble fight. I fear there is an effort to join the alleged opposition and then, without the firing of a gun or a single skillful maneuver, surrender to themselves. I admit the railroads are not getting a square deal at this time, but I fear they are attempting to put over and perpetuate on the public a deal which will in time become a crime against all humanity. The railroads need help and I feel that the American people and their lawmaking bodies will gladly help them if they will seek to win by becoming servants of the people rather than robbers.

At an early date, on the floor of Congress, I hope to discuss more in detail just how I believe the railroads can win this fight for themselves and the country by giving more and better service to the public at reasonable rates.

For the present, before I conclude, I shall urge a few more reasons why freight rates should not be increased on farm products. All freight charges, by whomsoever paid, like taxes, are in most cases eventually passed on to, charged up to, and paid by the farmers and the common people.

Freights, Pullman charges, and many other similar costs are charged to expense accounts and into the selling price of various commodities, and in the end paid by the consuming public. The big dealer or the wealthy business man pays these things but collects them back in the end. Not so with the farmer or the consumer. What the farmer pays on his products is lost to him. Ordinarily he can not charge his freight cost up to anyone, not even to the consumer. The consumer may repay the freight when he buys the product from the middleman or dealer; but if so, it never gets back to the farmer.

Since practically all freights are eventually paid by the farmer and the consuming millions and since the farmer can not charge his freight cost up to anyone else, it follows that the farmer should be given advantage of a specially low freight rate on his products.

Greatly reduced rates are often given on certain commodities, which would not be shipped at all except for the special rate. This rule should be especially applicable to watermelons, cantaloupes, and many other farm products. A reduced rate on these farm products would increase very much the tonnage handled by the railways.

Let me make the further observation that the economical furnishing and proper distribution of food is most essential to the welfare of the whole people, the safety of our institutions, and the perpetuity of our Nation.

To-day we are in the midst of plenty with our people starving. There is so much food until it is a menace and so much hunger

until all shudder at what may come if the present situation continues. In fact, the feeding and clothing of our people is so vital and the products of the farm are so essential to the very life of our Nation that it would certainly be better for all if the freight charges on farm products were reduced to the minimum and the necessary profits of the transportation lines derived from charges on other commodities and from other branches of the service.

It is evident to my mind that freight charges on food and other products of the farm should be greatly reduced rather than increased.

Sincerely yours,

W. C. LANKFORD.

Mr. Chairman, I shall now attempt to make clear my idea of real farm relief. I am letting the two letters or statements just read speak for themselves. They deal with vitally important subjects, but to my mind, in so far as my people are concerned, none is so important as the farm problem, which I shall now attempt to discuss.

I hope to accomplish three objectives by these remarks. First, I want to tell just what I believe to be real farm relief, such as would put the farmers on a parity with other businesses and enterprises, as promised by both the Democrats and the Republicans in their last national platforms.

Second, I want to explain my plan to obtain this much-desired result, and lastly, I want to show wherein I believe my plan to be the only complete solution of the entire problem and better than any other plan.

As I have often stated before, I believe real, pure, and undefiled farm relief will only be obtained when the farmer is enabled to name the price of what he sells as fully as others name the price of what they sell to the farmer.

This can not be done by a single farmer producing a single commodity. Neither can it be done by a small group of farmers. To be effective the plan must be undertaken by practically all the farmers living in the entire United States who produce the particular commodity to be handled.

Cotton and tobacco are the principle basic products grown in my district, so I will use them to illustrate what I would like to see the farmers able to do as the result of honest-to-goodness farm-relief legislation.

I want all the farmers producing tobacco, for instance, acting under an agreement between themselves and the Government, to plant the same proportionate part of their cultivated land in tobacco and plant only so much as can be sold for an average of 20 cents or more per pound. When they plant the crop I want them to know they will get this good price in cash just as soon as the tobacco is gathered.

This would enable the farmer to borrow for production purposes any money he may need, as any person or bank would gladly loan money on a crop the price of which was absolutely sure to be very profitable.

In a few years the farmer would not want to borrow; he would have plenty of money of his own. This happy condition would enable the farmer to diversify and give much more attention to not only the small crop of tobacco allotted to him but to a cotton allotment and other crops.

He would soon be growing much better tobacco and selling it at from 50 cents to a dollar a pound and becoming absolutely independent on a smaller acreage of tobacco and with much less expense, labor, and effort.

This would be real four-square farm relief and, I repeat, can only come from an arrangement by which the farmer will be enabled to name the price of the tobacco he sells as fully as the manufacturer names the price of what he sells to the farmers and others.

This and nothing else will be farm economic equality. Some say this can never be accomplished. I say it can be done. I further say both Democrats and Republicans should quit promising economic equality to the farmers unless they intend to live up to their promises.

How can the farmer be enabled to name the price of what he sells as fully as the manufacturer names the price of what he sells to the farmer? To my mind the answer is as simple as pig tracks. Let the farmers do just what the manufacturers do. Neither can control their prices without controlling both production and marketing. It is all a question of supply and demand.

If the supply is controlled the price can be named within reasonable limits.



The manufacturers by controlling the output of their factories, both by holding down the output and by placing on the market only so much of a particular commodity as can be sold at a given or predetermined price, control and name the price of their goods.

This is the only way for the farmers to elevate and stabilize their prices. It can not be done any other way.

Suppose the manufacturers produced all kinds of goods without limit and then piled them down in warehouses everywhere without regard to the demand for the particular commodities and asked the public to come in and take anything and everything at just such price as they wished to pay. No one doubts what would happen to the manufacturers under these circumstances. They would simply go broke. This is exactly what is happening to the tobacco producers, who are selling their tobacco by this very kind of a plan.

Now, is there some way for the farmer to control his production and the placing of his tobacco and cotton on the market so as to control his prices? I answer this question for the farmers by saying yes. Here is how I say it can be done:

Let us enact a bill providing that when a very large percentage of the producers of tobacco sign a contract giving a governmental agent the right to control the acreage to be planted in tobacco and making this agent the attorney in fact of the farmers, with authority to sell the entire crop of tobacco produced by the contracting farmers, then the Government will in effect guarantee the price of cotton and tobacco to be 20 cents per pound average or above.

The contract would provide that the allotment of acreage shall be a definite percentage of land actually cultivated by the particular farmer for the year. The allotment must be fair to all and must be reasonable. The Government agency would have the complete and full right to sell the entire tobacco crop to whom and whenever the agency wished except that the agency in no event could sell the tobacco below the price guaranteed plus all cost, interest charges, and other expenses.

Also, the agency upon demand must loan to the producer the full amount guaranteed as the minimum price, and must not demand or accept any security other than the tobacco or other products grown under the contract.

Thus it will be seen the farmer would not owe the debt. The product—for instance, the tobacco—would be solely and only responsible for the debt, and the agency must sell the tobacco for enough to pay the debt in full, including all interest and other expenses.

The Government could not lose, as the product must be sold for enough to pay the loan made to the farmer and all other expense. The farmer would be getting a reasonable price named by him through his governmental agency. There would be no unreasonable middlemen profits.

The manufacturers would all get their raw material at the same price without danger of getting loaded up on raw material at a high price only to be wrecked by their competitors buying at a much lower price. All manufacturers could figure a reasonable profit on the same cost price of the raw material and would be better off than under present methods.

The price of the manufactured article would be stabilized and the ultimate consumer would not be injured but would be benefited.

Now, if my plan should be enacted into law and the farmers sign the contracts and the Government make the guaranty fixing the minimum price of tobacco at 20 cents per pound average, would the Government lose? In other words, could the Government under this scheme sell tobacco and cotton at the price guaranteed the farmer? Let us again use tobacco as an illustration and visualize the situation and see just what would happen.

Sufficient contracts having been signed under the law, the farmers having grown tobacco under the contract-control plan, having already borrowed 20 cents per pound average under the agreement that the entire loan and all cost

must be paid out of the proceeds of the tobacco, the farmer would not have to sell. The governmental agency could sell whenever it pleased, so it gets enough to pay the loans in full. This agency would have the complete control of the placing of the entire tobacco crop on the market subject only to the limitation of price just mentioned.

The manufacturer must come to the governmental agency to buy the leaf tobacco. It can not be bought elsewhere. The agency represents the farmers, so it is the farmers speaking through him who say, "We have all the tobacco you want at 22 cents per pound; how much do you want?" The manufacturers say, "We want to name the price." The farmers say, "We have made arrangements so we do not have to sell except at a fair price fixed by us. We are going to name the price; the only question for you, Mr. Manufacturer, is how much do you want? We are not selling it by the pile to the highest bidder with you naming the price. We will sell you a carload or a trainload or the whole crop for this year at our price, please. How much do you want, Mr. Manufacturer?" The manufacturer says, "Yes; but you have an overproduction. I will not pay more than 6 cents a pound." The farmers say, "That is none of your blamed business. If we have produced too much, that is our business. We do not have to sell. Buy what you want at our price. Take it or leave it. If we have any surplus after you buy all you want at our price, we will store it and save it until next year and curtail our acreage next year so as to absorb any amount that may be left over."

The manufacturer might suggest that he would not buy at all. The farmers could counter with the idea that the entire crop for the present and future years, then, would be sold to some one else, leaving the manufacturer to go out of business. All the manufacturers might go on a strike and all agree not to buy at the high price. If so, the farmers with their organization could open up new factories themselves or get others to do so with the promise to let them have all the leaf tobacco for the next several years at the fixed and guaranteed prices.

I do not believe anyone will argue that the manufacturers and exporters would not buy under this arrangement. They would simply have to buy, and for the first time in the history of the world the farmers, as free men, would be naming the price of their own products. For the first time since Adam and Eve were driven out of the Garden of Eden, the farmer would be selling his products and not simply standing by with his hands tied while some one takes his products and only hands him a few pennies of the real value of his hard-earned property. He would be selling his tobacco, not forced to let it be taken without a just return. There would be real trading, buying, and selling.

Suppose the manufacturer should say "the price is too high." The farmers and those acting for them would reply, "We know what leaf tobacco is worth. We know what you pay for labor and on account of taxes. We know what your factory cost. We know your every expense. We know the enormous dividends and profits you are making. We know what you can pay for this tobacco. We know you are going to buy at our price. How much do you want?"

Let me say just here that the farmer could not demand and get a price beyond all reason. He could, though, get a fair price. This is all he wants.

As I suggested a little while ago, the manufacturers would be glad to buy at a fixed or stabilized price rather than on an indefinite fluctuating market with danger of their competitors getting the advantage. In fact, the manufacturers would be anxious to buy in order to be sure and get all the raw leaf tobacco needed by them before the crop was sold to others. They would be faced with the danger of one or two large concerns buying up the entire crop and leaving them to close their factories. For these reasons the manufacturers of tobacco would contract with the agency of the farmers for all the tobacco needed before it was planted, to be delivered and paid for in cash at the price determined as soon as the crop of tobacco could be gathered and delivered.



Thus it will be seen that under this plan the farmer, before he started his crop, would absolutely know what he would get for his tobacco.

Now, can this plan be put into effect? I answer yes, if Congress will pass the bill suggested and introduced by me and if sufficient farmers planting tobacco, for instance, sign the contracts.

I firmly believe Congress should pass my plan. It is the duty of every friend of the farmer in Congress and out of Congress to either support my plan or offer something better. I honestly do not believe anything better can be offered. Nothing better certainly has showed up so far.

I have no doubts about the farmers signing the contracts. I have explained the plan to thousands of farmers and am yet to find the first one who, understanding the contract, says he would not sign it. It is so simple and easy to understand. On every side and from every source comes the information that unless there is a control of production and marketing there can be no control of prices.

So my plan is for the Government to say to the farmers, "Let us control within reasonable limits your production and the placing of your tobacco on the market, and we will guarantee you a good price." The farmer simply says, "I accept the proposal," and the contract is made.

Some have said that some farmers would not come in and sign but would plant all they wished, make a "killing" and wreck the whole scheme. To begin with these fellows would not be good neighbors and would find themselves very unpopular trying to live among other people who are striving honestly to solve this great question.

Then, again, I would provide by law that all manufacturers who bought all their leaf tobacco from the governmental agency be granted a very light tax on their manufactured products and that any manufacturer who bought any leaf tobacco from an outsider be very heavily taxed. This would absolutely prevent anyone endeavoring to wreck the entire scheme to satisfy his own greed. He would find no market for his tobacco.

The law would provide that if a man signed the contract and then planted more than his share, the Government could seize this surplus without pay, as it would be the property of all the farmers who were living up to their contracts.

I would not make the penalty more. The farmers would report violations where the penalty is only the forfeiture of the excessive production. Now, I want to give some reasons why I believe my plan is the best one ever suggested. Here are some of them:

(a) The farmers themselves decide by signing the contracts that they overwhelmingly approve the plan before it goes into effect.

(b) The farmers producing tobacco or any other product may put it into effect as to that product, leaving other producers free to do as they please.

(c) The plan eliminates all middlemen profits and puts an end to speculation and gambling in futures.

(d) Diversification under this plan would be stimulated and made very profitable by the farmer planting much less so-called money crops and getting much more for them.

(e) The poor man and the wealthy farmer are treated exactly alike. Each would know what he would get for his crop before he planted it. Each could get money for production purposes and borrow in cash three times what he now sells his tobacco for, and each could hold his tobacco and ultimately get the highest possible price for it.

(f) The benefits would go directly to the producers and not to those speculating on the farmers. The high prices would be paid to the farmers themselves.

(g) There would be no "equalization fees," charges for price insurance, or other speculative cost or dues. The benefits would be direct, with no export debenture or other speculative help going into the pockets of exporters or other large produce dealers on the theory that part may perchance ooze through to the farmers. The help would be in behalf of the producers and none other.

(h) The control is on acreage and not on amount of production, thereby encouraging more intensive and better cultivation of the particular allotment.

(i) The control of acreage is not based on the need of money for production purposes, which would only control the poor man, leaving the rich to plant all they please, but is based on the need for a fair price, bringing the poor and the rich alike within the circle of production and marketing control.

(j) The allotment of acreage is based on the number of acres the particular individual plants in other crops, thus preventing 1-crop farming to the detriment of the general farmer.

(k) The plan is nation-wide, with definite guarantees to the farmer rather than sectional, sporadic attempts to control production, with no guaranty to the producers. It is by mutual contract under control of the farmers and their friends rather than by the strait-jacket of law under the police authority of the States or Nation.

(l) The plan is under the contract provisions of the Constitution and provides a fair, mutual, elastic method whereby the farmers of the Nation may become a free and independent group of citizens.

These are only a few of the reasons which persuade me to humbly urge my plan as the best possible solution of the farm problem.

Mr. Chairman, I am not arguing that there is no merit in other farm-relief proposals. I have supported and voted for some of them, but all the while my judgment has been that the only proper solution is by my contract plan. During the past summer I had repeated conferences with members of the Federal Farm Board and urged in every way possible the controlling of production, marketing, and prices of farm products by a contract system.

In this connection let me insert here some letters and telegrams which are self-explanatory. On August 12, last, after the Federal Farm Board had advised the destruction of one-half of the cotton crop, I wired each of the governors of the 10 largest cotton-growing States as follows:

Am urging the Federal Farm Board that rather than destroy any part of cotton already produced, a far better plan would be to perfect an arrangement whereby one-half of present crop will be delivered into the custody or control of Federal Farm Board or a joint Federal and States agency under a contract between this agency and the farmers whereby the farmers of the whole Nation obligate themselves not to plant any cotton next year or only so much as is approved by the agency, and the agency on the part of the United States Government or United States Government and the cotton-growing States obligates itself to hold off the market all cotton now turned over to the agency plus all cotton now held by the Federal Farm Board until such time as the farmers can get a fair price for their cotton. Let this contract hold good from year to year provided the plan stabilizes the price of cotton at a reasonable and profitable price to the farmers. This contract system of controlling production and marketing so as to elevate and stabilize the price of cotton, tobacco, turpentine, and other farm products has been advocated by me for years as the only solution of the farm problem in so far as certain basic commodities are concerned and should be put into force at the earliest possible moment not only as to cotton but as to tobacco, turpentine products, and all other products where the farmers in sufficient numbers are willing to make the contracts. Destroying a large part of the present cotton crop would no doubt cause balance of the crop to sell for more than whole crop, but why ask the farmers to destroy a large part of their crop only to immediately begin making more cotton at great expense and hard labor when a better result can be obtained just as easily by holding part of this year's crop over to next year and relieve the farmers next year of again producing another crop of cotton?

On August 13, 1931, I sent the governor of my State a letter, as follows:

AUGUST 13, 1931.

Gov. R. B. RUSSELL, Jr.,  
Atlanta, Ga.

MY DEAR GOVERNOR: With further reference to the proposal of the Federal Farm Board to destroy one-third of present cotton crop, concerning which I wired you on yesterday, I wish to state that I construe the suggestion as an admission that the present farm board act is a failure and that Congress has not yet solved the farm problem. I quote from to-day's issue of one of the leading Washington dailies as follows:

"It is a humiliating commentary upon modern intelligence and boasted American efficiency, an ignominious confession of failure to regulate consumption and distribution, when with superabun-



dance and want existing side by side no better means of equalization have been devised than the destruction of products valuable for food and clothing. What has come over American efficiency that it stands dumb and impotent when wheat and cotton must be burned or left rotting in the field while millions of citizens are in need of both?"

This item is from a paper which is recognized as the mouth-piece of the big interests and as unfriendly to agriculture, and shows how the public—both friends and enemies of the farmer—feels about the proposal of the Farm Board and the laws Congress has heretofore enacted in the name of "farm relief."

I construe the proposal to destroy one-third of the present crop as a mere gesture and as an effort to shift to the States and the governors of the States a responsibility which belongs to the Federal Farm Board and Congress.

Again, let me add that the proposal is unfair in that there is no offer to destroy one-third of cotton which has passed out of the hands of the farmers and is now held by the stabilization corporations, a creature of the Farm Board, neither is there any suggestion or proposal for the destruction of any part of the cotton of last year or this, already sold by the farmer and now held by the speculators.

The proposal, as usual, is for the farmer to suffer all loss and others to share all benefits and gains. The destruction of part of crop would make untold millions of dollars for those who now are owners of cotton, not as producers but as purchasers.

Under a contract plan as suggested by me on yesterday there would be no destruction of property or special benefits and favors to cotton speculators as against the farmers, but all burdens and benefits would be shared equally by all.

Under separate cover I am mailing you some speeches I have made in Congress from time to time on the solution of the farm problem by a contract system for the control of production, marketing, and prices of farm products.

With highest regards and best wishes, I am,

Sincerely yours,

W. C. LANKFORD.

Mr. Chairman, an identical letter was sent to each of the governors of the 10 largest cotton-growing States.

I not only personally discussed this problem with the Federal Farm Board but I filed written statements and letters with the board in support of my position. One of my letters to the chairman is as follows:

Mr. JAMES C. STONE,

*Chairman Federal Farm Board, Washington, D. C.*

DEAR MR. CHAIRMAN: With further reference to the farm problem, let me say that we have come to the parting of the ways. I believe the farm problem must be solved now or never.

With the Federal Farm Board the hour has struck; the time for a great decision of a momentous question is here. It means life or death for the farmers of the Nation. It likewise means life or death for the Federal Farm Board. There is but one remedy for the farmers and the board. Each can by a mutual arrangement protect and save the other.

The present deplorable cotton, tobacco, and turpentine situation in the South furnishes the Federal Farm Board the great opportunity. The board must make good now or never. There can be no opportunity without a way. What is the way? Here it is:

Let the board, through stabilization corporations, begin buying all of these products—cotton, tobacco, etc.—offered by the original producer for sale, and continue to buy until the price advances to a fair minimum price; let the board store the products and declare the purpose of the board not to sell any of such products now owned or hereafter purchased except and until the board can dispose of same at a price sufficient to net the farmer the fixed fair minimum price after payment of all storage and other holding expenses; the board paying the present selling price as the initial payment and making additional advances as the market price advances until the fair minimum price is finally paid to the farmer.

The undertaking or contract on the part of the board to purchase would, of course, be limited by the amount of money now appropriated and hereafter made available by Congress, and the contract on the part of the Federal Farm Board to hold the product beyond 12 months would and must be conditioned upon an arrangement to be worked out by Congress or the States, or both, giving the board the right by law or a contract system, or both, to bring about and make such reasonable and fair curtailment of the acreage of the particular product as the board may determine.

This program, if instituted by the board, would be the beginning of real farm relief, and if it failed the responsibility would be on Congress. The board would have done its duty and the farmers will do theirs if given a chance under this plan.

In conclusion, Mr. Chairman, let me beg you and the board to use every possible force at your control to help the farmer in this trying hour. There never was a farm situation so serious and, to my mind, there never was an opportunity to serve the farmer with such momentous possibilities.

Assuring you of my desire to cooperate most fully with you and the board in your efforts to solve this great problem, and with best wishes, I am,

Sincerely yours,

W. C. LANKFORD.

Mr. Chairman, let me say I do not want to lose faith in the Federal Farm Board. The law under which it operates is a failure. Let us amend the law so as to provide for real farm relief. Let us save the board, but let us make it an instrument for good rather than for evil.

On August 18, 1931, the same day I wrote Chairman Stone, I issued a statement for the press briefly giving my views on the farm problem from a legislative standpoint. This statement as carried by the Waycross Journal-Herald of my district is as follows:

CONGRESSMAN LANKFORD INSISTS ON NEW SYSTEM IN AGRICULTURAL FIELD—GEORGIA LAWMAKER URGES CONTRACTS FOR PRODUCTION, MARKETING, AND PRICES

Congressman W. C. LANKFORD, of the eleventh district of Georgia, to-day issued a statement, a copy of which was mailed to the Journal-Herald for release in this section of Georgia, relative to the agricultural problem.

The statement follows:

"There will be a much greater fight over farm relief at the next Congress than ever before, and, as is usual, probably nothing worth while accomplished. On the other hand, additional serious injury and injustice may be done the farmer.

"The enemies of the farmer and of real farm relief are saying: 'The Farm Board act is a failure, must be repealed, and there should be no further effort to legislate for the farmer.'

"Others are saying: 'Down with the Farm Board; let us have the export debenture.' Still others are shouting: 'Away with the board; give us the equalization-fee plan.'

"There is yet another group who believe that two of the three positions just mentioned are wrong, and even vicious, and that the third has only slight merit, if any.

"It might be all right to repeal the Farm Board act, stop endeavoring to pass so-called 'farm-relief legislation,' and leave the farmer alone to work out his own financial salvation, if just that thing could be done. The trouble is that there are all kinds of laws for every other business, all to the detriment of the farmer. So in simple justice these laws should be repealed or some equally beneficial laws should be enacted for the farmer. It seems almost impossible to enact real farm-relief legislation, and yet it would be even more difficult to repeal all the laws which give others the advantage of the farmer. In fact, the latter is impossible, however much it may be desired by the friends of the farmer. The former is at least possible.

"So it would be not only a mistake but criminal to abolish the Farm Board outright and cease all efforts to pass any farm-relief measures.

"The enactment of the equalization-fee scheme would be even worse. It would be an outrageous crime. In order to determine how much better and more popular it would have been than the present Farm Board act, if it had been included in the present law, let us suppose it is now in effect and that instead of the money the Farm Board is using being furnished out of the United States Treasury it is being raised by assessing an equalization fee on the farmers' wheat, tobacco, or cotton.

"How would the farmer in this year of 1931 like for part of his too few dollars of tobacco or cotton money to be taken as a tax or equalization fee and what would he say when informed that it is being taken to pay big salaries and profits to others and to stabilize the price of his tobacco where it now is and his cotton at 6 cents a pound?

"If the Farm Board act is a failure and unpopular with the farmer when all the money for its operation comes out of the Treasury, how much more outrageous and unpopular would be a scheme which could not possibly boost farm prices any more than the Farm Board does, but would probably do even more harm and with an iron hand extract exorbitant charges from the farmers for the outrage.

"The export debenture would indirectly pay a bounty to the exporters of cotton, tobacco, and certain other farm products, on the theory that a part of this money will in some way ooze through the pockets of the exporters and other middlemen and eventually get back to the farmer who grew the particular product. It is urged that it would help the price also of the product sold in the United States. It is problematical whether or not it would help the price of either exports or other products except such and when actually exported.

"Even if it should temporarily help the farmer it would be an indirect bounty on production, encouraging overproduction, which is now sought to be cured by all kinds of methods. Like a dose of morphine it would not last long enough and probably leave the farmer in as bad or worse condition than before.

"It is an unfair scheme, but as just as the tariff, and has the same evil device of helping the big dealer or wealthy organization on the idea that a part of the bounty will later get to the farmer or laboring man.

"If a production or other bounty is justified, it should be paid directly to those to be helped and not to others for them.

"The export debenture can only be justified as an emergency measure, and should be passed, if at all, as a temporary move and not as a permanent solution of the farm problem.

"The members of the Farm Board are not to blame; Congress is to blame for not enacting a better law. The present act should be amended, or if repealed another law should be enacted at once,



bringing into existence a plan to control production and marketing so as to elevate and stabilize the prices of farm products.

"It is evident that this can only be done effectively and permanently by a proper contract system controlling production, marketing, and prices."

I wish I had time to read into the RECORD the many encouraging letters I have received from farmers of all sections indorsing my farm-relief plan. I will quote briefly from a highly appreciated letter received by me, on the 20th of last August, from that loyal friend of the farmers, and all-round good citizen, Hon. W. W. Webb, of Hahira, Ga., who so long has given the best within him for the cause of cooperative marketing and the welfare of his people.

I quote from Mr. Webb's letter as follows:

I have taken it upon myself to write the Farm Board in Washington again with reference to aiding the farmers in saving and preventing a total loss of the cotton crop. I believe that if we could make an announcement that the Federal Farm Board would make a liberal advancement on the cotton provided the farmers would agree to reduce the acreage to enough in 1932 to take care of the surplus, we could get them all in immediately. This is in accordance with your plan. In my letter to the Farm Board I called their attention to this being your plan and advised that they call you in conference with them. I believe that we could secure a contract from 100 per cent of the farmers in Georgia to reduce the acreage as desired by the Farm Board.

Mr. Chairman, I now insert my reply to my good friend as follows:

AUGUST 20, 1931.

Hon. W. W. WEBB,  
Hahira, Ga.

MY DEAR FRIEND: I appreciate very much your letter of the 17th instant and thank you for again approving my plan of controlling production and marketing by contracts so as to elevate and stabilize the price of cotton, tobacco, and other basic farm products. As you and I have so often agreed in our discussions of this subject, there can be no real farm relief without a maintained scale of much better prices; there can be no effective price elevation and stabilization without an effective control of both production and marketing; and these are only possible by a mutual contract between an agency representing the Government and the farmers.

This kind of an arrangement would have prevented the present deplorable condition of our farmers. If properly put into effect at once it would solve the present farm emergency and constitute real and permanent farm relief for the future. I have wired and sent air mail letters to all the governors of the cotton-growing States urging the adoption of the contract plan of production and marketing control as a means of elevating prices, and during the last 10 days I have had several conferences and filed two written statements with the Federal Farm Board urging the merits of the contract plan.

The plan submitted by me to the board is as follows:

"Let the board, through the stabilization corporations, begin buying all of these products—cotton, tobacco, etc.—offered by the original producer of same, and continue to buy until the price advances to a fair minimum price; let the board store the products and declare its purpose not to sell any of such products now owned or hereafter purchased except and until the board can dispose of same at a price sufficient to net the farmer the fixed fair minimum price after payment of all storage and other holding expenses, the board paying the present selling price as the initial payment and making additional advances as the market price advances until the fair minimum price is finally paid to the farmer.

"The undertaking or contract on the part of the board to purchase would, of course, be limited by the amount of money now appropriated and hereafter made available by Congress, and the contract on the part of the Federal Farm Board to hold the products beyond 12 months would and must be conditioned upon an arrangement to be worked out by Congress or the States, or both, giving the board the right by law or a contract system, or both, to bring about and make such reasonable and fair curtailment of the acreage of the particular product as the board may determine."

I shall again discuss this matter with the board in a few days and am so glad you wrote the board giving the plan your approval. Several governors have written or wired me giving either their qualified or full approval to the contract plan. Also, several Senators and Members of the House are lining up with us. The Federal Farm Board is very much interested and I believe will eventually approve it. The board is handicapped in so many ways. Even the law under which it operates is wrong and vicious in many respects. As you know, I had a bill pending which would have given the present board full power to effectively put our contract plan into full operation, but there was a stampede of certain interests not friendly to the farmer, and those in Congress who had not studied the problem and simply wanted to vote for anything labeled farm relief, and the present law is the result.

I am making the fight of my life to get the present act amended so as to not only give the board the power to install the contract system, but require them to do so. I am hoping that before next December the board and even President Hoover will recommend the amendment. We are bound to succeed eventually, but the

thing that grieves me is all this delay and the awful losses which the farmers are suffering in the meantime.

Thanking you again for writing me, and with highest personal regards and best wishes, I am,  
Sincerely your friend,

W. C. LANKFORD.

Mr. Chairman, in every way possible I am keeping my plan before the people, Congress, governmental officials, and the President of the United States. I want every friend of the farmers to do one of two things. Either help pass my bill or tell me what objection they may have to it. I will gladly abandon my bill if some one will show me some better plan. Until then I am pushing it in every way possible every time I can get a chance to talk farm relief.

While out west last September I read an item in the Livingston (Mont.) Enterprise, from which I quote the following:

WASHINGTON, September 8.

President Hoover to-day sought a way out for American cotton growers, buried under the highest September crop estimate in 16 years, a Department of Agriculture forecast of 15,685,000 bales.

I immediately wired President Hoover as follows:

LIVINGSTON, MONT., September 8, 1931.

Hon. HERBERT HOOVER,

President of the United States, Washington, D. C.:

Am very happy that so many Senators, Representatives in Congress, and other high officials are now advocating the elevation and stabilization of the prices of cotton, tobacco, and other basic farm products by a mutual contract system along the line advocated by me in my conference with you about a year ago. Such a system worked out along proper lines would have prevented the present awful decline in the prices of farm products. I am urging to the fullest extent not only the adoption of an emergency contract relief plan for the solution of the present distressing financial condition of the farmers but also a permanent production and marketing, control and price elevation plan along lines of the bills introduced by me in the Congress from time to time for this purpose and explained and advocated by me in numerous speeches as appears in the CONGRESSIONAL RECORD for the last several years. A proper contract system is the only efficient permanent way to put the farmers on equality with other businesses and enterprises as promised by both the Democratic and Republican platforms in the last national campaign. In behalf of the farmers of the Nation, I urge you to now help put into effect such a contract system as an emergency move to elevate and stabilize the present prices of farm products. I also plead with you to advocate a permanent contract system of control of production, marketing, and prices of farm products as the only permanent efficient solution of the farm problem.

W. C. LANKFORD,

Member of Congress, Eleventh District of Georgia.

In conclusion let me say I need the help of everyone who believes my plan is right. Let us all get behind the plan and push. Those who oppose this kind of legislation are very obstinate and can only be overcome by the loyal, concerted action of all the friends of the farmers. [Applause.]

Mr. GREENWOOD. Mr. Chairman, I yield 30 minutes to the gentleman from Pennsylvania [Mr. McFADDEN]. [Applause.]

Mr. McFADDEN. Mr. Chairman, ladies and gentlemen of the committee, at this hour the Ways and Means Committee of the House is taking up the discussion of the moratorium bill. I understand that the Under Secretary of the Treasury is at the present moment presenting to that committee the administration's ideas as regards the Hoover moratorium.

I am greatly indebted to the majority leadership of the House for granting me this time to discuss minutely this question of the moratorium. I desire also to observe that at this time, before the bill is under consideration in the House and before the bill has been discussed except by the presentation of the administration's plan in the Ways and Means Committee, the full force of the administration's influence is being exerted to exact the pledges of the Members of the House as to how they are going to vote on the moratorium.

The particular situation I want to mention at the outset is that at the present time the Hoover moratorium has been succeeded by the operations of the Young plan, brought about by the recent conference in Washington of the Premier of France, M. Laval, and the President of the United States. Under that plan the Germans have asked for a moratorium as provided by law, and the committees



appointed under that plan by the Bank of International Settlements have been engaged for the past week in determining Germany's capacity to pay. In addition to that the committees of the international bankers are also at work studying the short-time debt situation and Germany's capacity to pay the short-term debts. It is well for you to keep in mind that there is much confusion as regards the short-term debts. The matters in which the international bankers are particularly interested at this time are the acceptance credits. Those are the short-term debts that are referred to.

On June 20, 1931, while Congress was not in session, the President of the United States, acting without any legal or official authority, for the benefit of a foreign country with which we had lately been at war, proposed and virtually brought about a loss to this country of \$245,000,000 in one single year and paved the way for much greater losses for this country to sustain in all the years that follow after. Worse than that, he proposed that the Congress of the United States should unlawfully dissipate the resources of this country by giving the money which was due to us under contract, and which should have been paid to us and of which we are the trustees for the people, to foreign nations which have no claim upon us and through them to that foreign nation with which we have lately been engaged in war. In short, he proposed that we should take money away from the men and women and children of this country and give it to Germany. This, in my opinion, was an infamous proposal.

Because it was an infamous proposal, the President of the United States endeavored to find support for his intended action. He was afraid to do this thing alone at the bidding of the German international bankers—the Warburgs; Kuhn, Loeb & Co., of New York; and their followers—all of whom have been engaged in bleeding this country white for the benefit of Germany and themselves ever since the World War came to an end. He was afraid to do it on his own responsibility, because he had no authority to do it in law, either in domestic law or in international law, in morals, in good faith, or under his constitutional oath of office. In fact, it was a violation of his oath of office and a breach of international law for him to do it at all. So, what does he do? He forgets himself and goes so far as to summon the leaders of Congress by telegraph and telephone and asks them to signify their consent to his proposed illegal action in advance. He asked them to give him their votes to sustain his illegal action. He proposed to commit an unfriendly act toward France and he asked certain members of both parties in Congress to sustain him in that course of conduct. He asked them to promise to legalize his unfriendly act. And in advance of the assembling of this Congress which alone has power to make law for this country.

Those of you who were not consulted in this crude attempt at usurpation of legislative power were in effect foreclosed in advance. You were, perhaps, men of no importance in the eyes of President Hoover. Has any President ever so far forgotten the dignity of his office and the limited place of the Executive in this Government as to do a thing like that before? Could anything be more distressing to American pride than such a message to the powers? What constitutes leadership in Congress? Does leadership mean that men of both parties from States where international bankers have their head offices can upon occasion go into a secret conference with the President of the United States, the agent of those bankers, and tell him the little fellows do not count, that they can be held in line and forced to vote "yes" when they might be expected to vote "no"?

Mr. Hoover is not running a coal mine here. He is not a dictator.

I have been here for a good many years. For the past 17 years I have been a member of the House Banking and Currency Committee. For that reason, I presume, I received a telegram last June from the President of the United States asking my consent to the course he wished to pursue. I did not answer that telegram. I am standing here as the Representative of the fifteenth congressional dis-

trict of my native State, and my vote has not been cast in secret upon a matter concerning which my constituents have had no information and no chance for discussion. This is the place where we make the laws. This is the place where my vote is cast for the fifteenth district of Pennsylvania. [Applause.] I do not vote on matters concerning the welfare of the United States in a telephone booth or in the office of a telegraph company. Consequently, I stand here free. I have made no bargain to vote for the proposal of the German international bankers and the deal Herbert Hoover is trying to put through for them.

But were it otherwise, had I yielded to the importunate demand of the President of the United States, had I been misled by the specious plea of urgency or by any other consideration, and had I afterwards found out what I propose to unravel for your consideration here to-day, I would not feel bound to vote in accordance with a promise that had been wrung from me by unfair means. I would take back such a promise and I would examine the question on its merits and vote according to my conscience and the interests of my constituents.

Do you remember what happened in this country when President Wilson asked the voters to elect a Democratic Congress so that his policies might be put into effect? It was nothing like this bold-faced attempt to usurp legislative functions, to make a law in a small group, and then to peddle it to legislators for their approval. President Wilson's request was nothing like this, and yet the country resented it and refused it and sent us a Republican majority instead of a Democratic one.

After completing his underhanded arrangements by telegraph and telephone, arrangements which savored more of the ways of an oriental potentate drunk with power than of conduct proper for a President of the United States to pursue, Mr. Hoover, with a dramatic flourish, made his proposal, linking it as usual with a lot of false and insincere humanitarianism.

One of the most significant things about the Hoover moratorium was the suddenness with which it was proclaimed. There was nothing accidental about that suddenness, however. The present administration never makes a move of this sort without ordering a spot light beforehand. Months may go into the excited preparation of a deal, but when the moment comes to give the people an official version of what is happening the electricians are ordered to drag in the spots; the sound apparatus is sent for, and the photographers may be seen hurrying toward the White House.

Behind the Hoover announcement there were many months of hurried and furtive preparation both in Germany and in the Wall Street offices of Germany's bankers. The groundwork had to be prepared. The German budget had to be doctored and left unbalanced. Germany, like a sponge, had to be saturated with American money. Mr. Hoover himself had to be elected, because this scheme began before he became President. If the German international bankers of Wall Street—that is, Kuhn, Loeb & Co., J. & W. Seligman, Paul Warburg, J. H. Schroeder & Co.—and their satellites had not had this job waiting to be done, Herbert Hoover would never have been elected President of the United States. They helped select him. They helped elect him.

The Hoover proposal originated in the offices of the German international bankers in New York. William Randolph Hearst has lately made the following statement:

This plan for revision of war debts, with America paying the piper while war-mad Europe dances, is purely a plan of international bankers, who make money through commissions out of spoliation of their countrymen. One of those bankers wrote me the whole plan months before it was made public and asked my support of it.

I refused support and I pledged unending opposition to this plan to plunder the American people in the interests of foreign nations, for which most of these international bankers are financial agents.

[Applause.]

You will notice that Mr. Hearst says the plan was presented to him in writing by an international banker months before it was made public. This ought to convince you that it did not originate in the mind of President Hoover. It



ought to convince you that it was presented to President Hoover by the same international bankers or one of his followers who presented it to Mr. Hearst and who was rebuked by Mr. Hearst for his cheek and impudence. This international banker was not rebuked by Mr. Hoover. Mr. Hoover, it appears, promised to support the plan, although in his campaign speeches and in other addresses made by him he continued to deny that he was in favor of the object of the outrageous and unpatriotic German banker propaganda for cancellation of war debts and the binding down of American labor to the task of paying the entire cost of the World War.

We have other evidence that this is true. Unknown to the President and his banker friends, an account of the plan was brought to Washington in the summer of 1930, nearly a year before the President appeared before the footlights, and, as master of ceremonies for the German international bankers, made his public announcement. If there was a crisis in German financial affairs in July, 1931, and if there is one in those affairs now, that crisis was well arranged in advance by the German international bankers and no one in Germany took any steps to prevent its occurrence. The plan was brought to Washington and it was divulged to Senators. Closely as the secret was guarded it leaked out nearly a year in advance. This ought to convince you that it was not the result of any sudden emergency in Germany or elsewhere. This ought to convince you that it was a put-up job.

But we have other and equally convincing evidence in regard to the origin of this plan. On October 23, 1931, the German Minister of Communications, Herr Treviranus, publicly stated in Germany that President Hoover began secret conversations with Germany in regard to this plan in December, 1930. That was last December, when our people were suffering from starvation in Arkansas. That was during the last session of Congress when we were struggling to obtain help for the victims of the great drought and the depression. While our minds were occupied with those matters, while our men were walking the streets in a vain search for employment, while the suicide total was mounting, the President of the United States secretly approached Germany and asked her if he could do anything for her in the way of getting her reparations obligations lightened. The German minister, Herr Treviranus, has stated that one of the chief intermediaries in this matter died and it seems as if that chief intermediary might have been Joseph P. Cotton, who died at Baltimore this year. Herr Treviranus has stated that Hoover's negotiations were carried on with the utmost secrecy and we may well believe it.

The Public Ledger of Philadelphia published the following dispatch on October 24, 1931:

[Public Ledger Foreign Service]

GERMAN REVEALS HOOVER'S SECRET—MINISTER SAYS PRESIDENT STUDIED MORATORIUM MONTHS BEFORE ASKING IT—SLOW PAYMENT HINTED

BERLIN, October 23.—Minister of Transportation Treviranus revealed in an address here to-night that, contrary to the general impression that President Hoover's moratorium was the result of a sudden decision, the American President was in intimate negotiations with the German Government regarding a year's debt holiday as early as December, 1930.

The President, according to Treviranus, who has long been intimate with Chancellor Bruening, did not even let his Cabinet members know what was going on. The negotiations, the German minister said, were made more difficult and the result was delayed considerably by the death of the "middle man" the first part of this year. Several of the minister's auditors recalled that the Under Secretary of State, Joseph Cotton, a personal friend and adviser of President Hoover, died about that time.

Previously it was believed that when Mr. Hoover returned from his western trip last June he learned for the first time the real seriousness of Germany's financial situation.

I might state in that connection that the hearings held by the Banking and Currency Committee a year ago last summer, when we were considering this question of the sale in the United States of commercialized German reparation loans, this same Joseph P. Cotton, now deceased, appeared before that committee and gave testimony supporting the issue and sale in this country, as did the Treasury Department, of those commercialized bonds. They were put out in this country by this same group of international bankers at 91½ and they are selling now between 25 and 30.

Mr. Cotton, not in the record, but in discussion with members of the committee, at the close of the hearings, told of his interest in Germany and the fact that he had a law firm, of which he was a member, with offices located in Berlin.

Here we have the German Minister of Communications, Herr Treviranus, telling us that Hoover did not let his Cabinet officers know what he proposed to do. He worked on his plan under the guidance and at the direction of the German international bankers and he thought he had his secret so closely guarded that the people of the United States would never be able to find out his part in the plot that was being concocted against them.

Mr. STAFFORD. Will the gentleman yield?

Mr. McFADDEN. I am sorry, but I prefer not to yield.

Mr. STAFFORD. The gentleman is making very serious charges against the President of the United States, and I was going to ask him the basis of his authority for stating that he was acting secretly with German international bankers.

Mr. McFADDEN. I think the gentleman will be satisfied by the time I finish.

The CHAIRMAN. The gentleman declines to yield.

Mr. McFADDEN. He proposed to sell us out to Germany. If he had looked about him, he would have seen on all sides the havoc that had been wrought by the exportation of American wealth to foreign countries. He could have seen mortgaged land, bare of goods, with mile-long bread lines in every city, and that havoc and that desolation and those homeless ones would have shown him that the time was ripe, that the international German bankers had got this country down, and would hold it down in the interest of Germany until it capitulated.

In January, 1931, in the city of Berlin, the Hon. Frederic Sackett, the United States ambassador, began and carried on further secret conversations with the German Government in regard to the obtaining of a moratorium for Germany. Subsequently, Sackett came to this country and looked around. He came and saw and, like a conquering hero, he went back to Berlin and told the German Government, with a diplomatic smile, that the time was auspicious. Mark that word "auspicious"! It was not auspicious for the people of the United States, but it was auspicious for Germany and it was auspicious for the German international bankers.

Now you have the facts and you can see how preposterous it was for the President of the United States to make a calculated entry before the footlights announcing his plan as if it were a sudden response on his part to a sudden emergency. You can see how preposterous it was for him to do that.

The 16th day of June was the date set by the German international bankers, the Bruening cabinet, Mr. Sackett, Mr. Hoover, and his associates, for the opening of the great financial offensive against the American people. And how did they begin it? The head of Kuhn, Loeb & Co., Otto Kahn, was in Italy in June on international financial business. The first shot was fired from Italian ground. It was in the form of propaganda—the great weapon of those who do wrong. It appeared in the form of an article in the Christian Science Monitor. I shall read it to you.

[Christian Science Monitor, June 16, 1931]

ITALY OFFERS TO EASE REICH'S HEAVY REPARATION PAYMENTS—ALTHOUGH EUROPE LOOKS TO UNITED STATES TO CUT GORDIAN KNOT OF WAR DEBTS, THIS OFFER FROM ITALIAN SOURCE ATTRACTS ATTENTION

(By radio from the Christian Science Monitor Bureau)

LONDON, June 15.—A sample of European self-help calculated, it is thought here, to make a favorable impression in the United States is a proposal of Italian origin.

The plan put forward is that those powers receiving an amount from German reparations over and above the amount necessary to discharge their debts should forego this "indemnity," thus giving Germany the necessary immediate alleviation and providing a significant gesture of moral disarmament.

The position is that, whereas Britain, on the basis of the Balfour note, only demanded from its debtors sufficient to cover its payments to the United States, France, Italy, and Belgium, and to a limited extent the smaller reparations creditors, receive payments from Germany markedly exceeding their payments stipulated by funding agreements to Britain and the United States.

Italy, for example, receives on an average \$53,425,000 annually on reparations account and has to pay to Britain approximately



\$20,000,000 and to the United States \$22,657,000, leaving a margin of \$10,750,000, equivalent to 43,000,000 marks.

A corresponding margin exists in the receipts and payments by France and Belgium, and, therefore, any such remission would supply a handsome measure of relief to Germany's burden.

On the basis of the Spa percentages, which is the system of apportionment, France receives the lion's share of reparations, roughly 52 per cent, as compared with Italy's 10 per cent, and Belgium's 8 per cent. The annual sum accruing to France amounts to \$261,625,000.

The Italian offer in a nutshell—believed to have official approval—is, that she is prepared to waive a portion of the reparations receipts if the other beneficiaries do likewise. Its policy is exactly parallel with the position taken on disarmament, namely, Italy is prepared to cut armaments to any figure if other European powers undertake a corresponding cut.

Opposition may be expected from France on the reparations as on the disarmament issue, but if The Hague settlements and the Young plan are to mean what they were designed to mean, namely, final liquidation of financial questions arising out of the World War, there is no doubt Italy has an unexceptional case.

While opinion here adheres to the notion implicit in the Balfour note, namely, that the United States alone can cut the Gordian knot of international indebtedness, it welcomes the Italian proposal and would surely support any official move in this sense.

This article is misleading. I shall come to facts and figures presently and, when I do, I will show you the contract executed by Germany in the Young law and I will show you the force of the settlement to which Germany solemnly set her hand and seal.

Now, why did Italy advertise herself at London as an international philanthropist, a canceler of debts, on June 15, 1931? She did it because she was told to do it. She did it because the German international bankers from whom she is receiving great favors at our expense in the future ordered her to do it. Mussolini is not the iron man. Otto Kahn is the metalliferous man. Mussolini is the needy man. Otto Kahn and his associates are the men who have measured Mussolini's need and who have promised to supply it if he will help them to break the contract Germany made with her creditors and which she now seeks to dishonor and to treat as a mere scrap of paper. Do you think France and her allies will permit the Young law, signed by Germany and other responsible powers, to be torn up in the German fashion of tearing up treaties and laughing at debts? France is saying no and, in doing so, is saying that it will be a bad day for Italy, for any other country, when it joins hands with Germany in breaking what France believes to be a legal contract and protests in setting at naught that international law which goes back through the treaty to the armistice.

Some people no doubt would have been better satisfied if Germany had whipped the United States and maimed another hundred thousand of our soldiers. Some of them think that the treaty of Versailles was not a good treaty. I share that view. The allied armies had a right to march to Berlin and the French could hardly have been blamed if they had set the torch to some of the German factories on the way. Instead of such a proceeding, the Allies made a treaty which embodied great concessions for Germany, all of which were predicated upon her expressed willingness to pay for the damage she had wrought. So far as the war is concerned, and the end of the war, I am satisfied to say that we sent our army to France for a purpose; that it achieved the purpose for which we sent it; and that the American cemeteries in France bear witness alike to our sacrifice and to our victory. I will also say that the present condition of this country and the Hoover proposal bear witness to the revenge that the German bankers have taken on us for the decisive part we took in the World War.

Over yonder across the river lies the Tomb of the Unknown Soldier. Hoover might almost have seen it from the window of the Lincoln study, where, with German emissaries, he planned to nullify the part our soldiers took in the World War and to set at naught the claims of our people to the money they showered upon this Government for the prosecution of the war. It seems prophetic when we remember that Lincoln wrote—and possibly in that very room—the following words:

Yes; we may congratulate ourselves that this cruel war is nearing the close, but I see in the future a crisis approaching that

unnerves me and causes me to tremble for the safety of my country. As a result of the war corporations have been enthroned, and an era of corruption in high places will follow and the money power of the country will endeavor to prolong its reign by working upon the prejudices of the people until wealth is aggregated in a few hands and the Republic is destroyed. I feel at this moment more anxiety for the safety of my country than ever before in the midst of the war.

I am concerned now with the offensive against the French and the American people and against the friendship which has for so long existed between them. I am concerned with the German offensive as it was developed by the German international bankers. Why do I call them German international bankers? I do so because I wish to emphasize the fact that international finance is almost exclusively German. Most of the international bankers are of German origin.

On the very day the propaganda from London announcing Italy's heroic pose was published in the Monitor a second article appeared in that sheet. I shall read it to you.

[Special from Monitor Bureau]

UNITED STATES RESERVES RIGHT TO RECONSIDER POLICY ON WAR DEBTS

WASHINGTON, June 15.—The United States Government has an "open mind" on foreign war debts, it was authoritatively stated at the State Department Saturday, in connection with the discussions in Europe over the possibility of downward revision of the Young plan.

It was explained that the United States Government's policy on war debts and reparations is clearly established, but that in case of a serious crisis, it would "obviously have to consider temporary changes in policy, if that was necessary."

The administration is cognizant of the seriousness of the economic situation in Germany. It is keeping in close touch with developments and is fully informed of conversations going on abroad.

Initiative for action must come from European sources, however. Andrew W. Mellon, Secretary of Treasury, and Henry L. Stimson, Secretary of State, are going abroad this month and will meet European leaders, but without any proposal. Their purpose is wholly informative, it is declared.

You will notice the statement in the article I have just read:

Initiative for action must come from European sources, however.

It will be interesting when this matter goes to trial before the Permanent Court of International Justice to find out whether Herbert Hoover was acting as a legal agent of Germany or as the President of the United States when he made his proposal. If he was the agent of Germany, then Germany violated the solemn covenant of the Young law by procuring his assistance. If he acted on his own initiative as the President of the United States, then I think he is personally liable to the people of this country in a legal way and that those who acted with him are liable also. We can not have an agent of Germany acting as President of the United States.

But the sting of this article is in the tail. It lets us know that Mellon and Stimson are "going abroad this month." They are going to meet European leaders. They are going without any proposal. Their purpose is wholly informative. Mark that word "informative." They are going to Europe to give information. Their purpose is informative. They were not going to Europe to rest.

When Secretaries Mellon and Stimson went abroad they did not travel to Europe on the same ship. Mr. Mellon was the first to depart. By a coincidence he arrived in England on the very day the Italian gesture was reported in the Christian Science Monitor. And here, having told you that the 15th of June was the appointed day upon which the President of the United States ordered the forces who were acting with him to begin the offensive, I will tell you why that day was selected. On the 15th of June France paid this country a large sum of money. Prudently and with a kind of low-class cunning, this payment was gathered in, although the document which was intended to deprive France of her rights under the Young law was fully prepared and ready for emission to the world powers. Do you think that act of cunning escaped the attention of foreign statesmen? Do you think it has increased their respect for the United States?

Mr. Mellon raced through the next few days at high pressure and somebody in London who appears to have been



interested in the dissemination of information gave news to the press that he had been invited to come to England by the British Government. This statement was vigorously denied by the private secretary to Ramsay MacDonald, who asserted that the British Government had addressed no invitation to Mr. Mellon and that it had not sent a communication to the Government at Washington to invite it to discuss revision of war debts, or any other question.

Nevertheless, Mr. Mellon, upon his arrival in England, lost no time in entering into a secret conversation with Mr. Ramsay MacDonald and with Montagu Norman, the governor of the Bank of England.

It is a little strange that Mr. Montagu Norman should have been there. As Henry de Jouvenel says, in speaking of this interview:

Among the personalities present there was one not generally invited to conferences between prime ministers and foreign statesmen. This was the governor of the Bank of England.

You all know who Montagu Norman is and how closely he is linked with certain sinister figures in the banking world. You know that he comes here occasionally and that he transacts secret business with the Federal Reserve Board and the Federal Reserve Bank of New York. You know that he was suddenly taken ill when the old Tories in England found out what had been happening there and formed a national government and gave up the gold standard. You may remember that without allowing his name to appear on the passenger list Mr. Montagu Norman took ship for Canada and did not return to England until the storm blew over. I presume you know that the Federal Reserve Board and the Federal reserve banks are the agents of the Bank of England and that of late years Mr. Montagu Norman has had a great deal to do with George L. Harrison, governor of the Federal Reserve Bank of New York. Mr. Montagu Norman did not come down to New York from Canada during his last visit to this continent. Instead of that, Governor Harrison went up to Canada to see him.

Let us leave Mr. Mellon in London for a while and return to Washington sweltering in the heat.

It is the 16th of June. The President of the United States is spending the summer in Washington. He has been hard at work with Henry M. Robinson, who is the Colonel House of this administration, and, like Colonel House, a secret emissary of Kuhn, Loeb & Co., Paul Warburg, and other German international bankers. Robinson's ostensible business is in California, but his real business is here, where he can see the President of the United States every day. Sometimes he goes to the Rapidan. Sometimes he spends several days at the White House. He passes for a Californian friend of President Hoover. I will tell you whose friend he is. He is the bosom friend and intimate of Paul M. Warburg, the man who engineered the great depression, the man who is the chief beneficiary of the losses sustained by the farmers and the wage earners of this country, the man who has stuffed this country full of worthless German acceptances, so that Germany might use them against us to trick us into breaking an international law in her behalf. More of Paul Warburg hereafter. For the present let us keep our eyes on Henry M. Robinson, the Colonel House of the present administration.

It is the 16th of June and the Monitor has published its little story about the generous Italians.

It is the 16th of June and here comes an Associated Press dispatch reading as follows:

[Washington Post, June 16, 1931]

Always holding reparations and war-debt payments as distinctly separate, the Treasury yesterday made known that recent events in Europe had caused no change in its attitude.

What recent events had caused no change in the Treasury's attitude? There had been no recent events in Europe which could have caused a change in the Treasury's attitude. This article further makes known that, speculation having been aroused by Mr. Mellon's departure for Europe and by Mr. Stimson's prospective European trip, Mr. Mills, of the Treasury, and Mr. Castle, of the State Department, gave assurances that no official business was involved.

I am loath to accuse any man of toying with the truth, but candor compels me to say that, in my opinion, the assurances so given by Mr. Mills and Mr. Castle were intended to deceive the American people. Can we afford to trust our governmental business to men who lend themselves to this kind of deception?

This is a free country with what is supposed to be a free press. Whence came this custom of deceiving the people with carefully prepared misleading statements, artfully contrived releases, and all the other devices of overlordship looking down from a high place with contempt for the wage earner, the farmer, and the man of little or no property?

It is the night of the 16th of June in Washington. The President of the United States is out of town. That, too, was foreseen and provided for. It was a kind of alibi intended to make it easy for him to pretend that a certain crisis had come about in his absence. Now, comes the 17th of June and on that day, as if without knowledge of what was about to happen at Washington, the German ambassador to France goes to the French Minister of Foreign Affairs and to the French Minister of Finances and says that the German Government will soon be obliged to ask for a moratorium. This was a calculated move and Mr. Sackett was fully aware of it. It was done for the purpose of working on French nerves, to try to frighten and unsettle the French so that they might be startled out of their customary caution when they received the communication that the President proposed to make to them and upon which he had been hard at work with Bruening and Sackett and the Warburgs through their emissaries for so many months.

On the 18th of June the President returned to Washington from the tomb of our late President Harding, where he had just descanted upon the infamy of anyone who betrayed the trust of the people in money matters. I call your attention to his words:

#### "BETRAYAL" IS CASTIGATED

There are disloyalties and there are crimes which shock our sensibilities, which may bring suffering upon those who are touched by their immediate results. But there is no disloyalty and no crime in all the category of human weaknesses which compares with the failure of probity in the conduct of public trust.

Monetary loss, or even the shock to moral sensibilities, is perhaps a passing thing, but the breaking down of the faith of a people in the honesty of their government and in the integrity of their institutions, the lowering of respect for the standards of honor which prevail in high places, are crimes for which punishment can never atone.

On the following day, as a part of this conspiracy, the Secretary of State, Mr. Stimson, sent for the French ambassador, Mr. Paul Claudel, and told him what the President was going to do. This, we understand, was about one hour before President Hoover gave out his statement to the newspapers.

Was this fair to the French ambassador when we know that the President had been working on this plan since the previous December, that is, December, 1930? And the plan he gives out is the one that was disclosed to William R. Hearst by an international banker several months before; that it is the same plan that was divulged here in secret to the Senators in the late summer of 1930. It is the same secret plan that the German Minister of Communications referred to in his statement which I have read to you. It was the international German bankers' plan for having the burden of reparations removed from her triumphant march toward world domination. Germany has already surpassed the United States in trade activity. She has had a favorable balance of trade every month so far this year. That can not be said of us who are asked to break the law of nations for her benefit. But the next time Mr. Hoover talked to France he had to talk on a different key. When baffled and humiliated he had to prostrate himself at the feet of Premier Laval and ask him to leave the balances of France in New York because the Federal Reserve Board and the Federal reserve banks and the international bankers and the New York bankers were headed for trouble through the loss of gold to the extent of \$1,800,000,000, and perhaps more. It was then that the President of the United States did not



appeal to the German international bankers who were then engaged in speculation in international exchanges, but it was then that he did appeal to the French Premier, Laval, to save him and his country from the sequences of his folly—the effects of the Hoover moratorium.

One hardly knows which is worse, the revolting dishonesty or the shocking bad taste. Do you wonder that his announcement of his plan created a sensation in France? As one of the French editors politely said:

The declaration of President Hoover is the most disconcerting impromptu diplomatic document imaginable. Leaving aside all sentimental considerations, it must be admitted that this rough brick hurled at Europe runs a strong risk of upsetting the whole edifice so laboriously erected by experts and governments for the parallel settlement of reparations and war debts. The American document was transmitted to our ambassador at Washington at the very time it was being made public like a simple harangue at a campaign rally.

After President Hoover had so unceremoniously informed Ambassador Claudel that he was at the moment giving out his plan, he is said to have telegraphed to Hindenburg, the President of Germany, begging him to telegraph him with the utmost haste a German request for a moratorium. We shall hear more of Hindenburg's telegram later on.

Simultaneously with this move on the part of their agent, Hoover, the German international bankers and others who followed their lead bought heavily in the stock exchanges and this buying caused stocks to rise in price. As the editor above mentioned expressed it—

A dose of very uncommon simplicity would be needed to cause one to believe that the Anglo-German American banks, which had been preadvised of the arrangements made at Washington, did not seize the opportunity to start a financial maneuver to take place on all the world financial markets in order to give a consecration of fact to the policy of the President, obliged to reckon with the susceptibilities of the American Congress.

At this point I wish to insert in the CONGRESSIONAL RECORD a copy of the French reply to Hoover's proposal.

The CHAIRMAN. The gentleman from Pennsylvania asks unanimous consent to extend his remarks as indicated. Is there objection?

There was no objection.

Mr. McFADDEN (reading):

First. Repayment to France and other creditor nations within five years by Germany of the credits to be extended to the German economic system through the Bank for International Settlements. The original idea of the French Government had been to ask for the repayment within two years.

Second. Should Germany within five years enforce the moratorium as provided for under the Young plan, the guarantee fund which is provided for by the Young plan would not be paid out by France, but would be built up by making use of the untransferred unconditional annuity.

Third. Allocation of part of the credits created upon the basis of the untransferred, unconditional annuity to such European States as Yugoslavia and Greece, which might be stripped financially, owing to the suspension of payments of all intergovernmental debts, the net loss of Yugoslavia being about \$16,000,000 and of Greece £700,000.

[Here the gavel fell.]

Mr. GREENWOOD. Mr. Chairman, I yield the gentleman 15 additional minutes.

Mr. STAFFORD. Will the gentleman yield?

Mr. McFADDEN. I am sorry, but I have a connected statement which I want to complete. I would like to yield, but my time is limited.

Mr. STAFFORD. I see there is no trouble about the gentleman securing additional time, and I thought perhaps the gentleman would yield.

Mr. McFADDEN. If the gentleman will yield me more time to complete my address, I will then be only too glad to yield to the gentleman.

You will notice that the French in this reply expressly refused to give priority to private obligations. The bankers had endeavored to obtain this concession. President Hoover had tried to have the service on private obligations maintained. He wished to have the service on the Kreuger & Toll Swedish loan kept up. (Kreuger & Toll and the Swedish Match Trust are a Warburg outfit, but this is another

chapter.) This the French refused to allow, and I call your attention to their statement that—

A formal assimilation has been established between the private debts of the Reich (Young loan and Kreuger loan) and the unconditional annuities not yet mobilized. To suspend the payment by Germany of the unconditional annuity while admitting that the Young loan placed with the public should continue to be served would go directly against a fundamental principle and express stipulations.

The Government considers, therefore, that a moral interest of the first order attaches to the fact that, even during the delay provided for by President Hoover, the payment of the unconditional annuity should not be in any way postponed.

The Germans do not wish to pay reparations. Nobody likes to pay a bill for damages.

The whole world knows what the Germans did in France. There are districts in France which will never be as they were before. I believe that the mass of the German people were willing to pay their indemnity as France paid her indemnity after the Franco-Prussian War, but something happened to Germany which prevented the full and free execution of her obligations. I will tell you what it was. After the World War Germany fell into the hands of German international bankers. Those bankers bought her and they now own her, lock, stock, and barrel. They have purchased her industries, they have mortgages on her soil, they control her production, they control all of her public utilities. There is no country in the world to-day of which the inhabitants are so enslaved as are the Germans.

The international German bankers have subsidized the present Government of Germany and they have also supplied every dollar of the money that Adolf Hitler has used in his lavish campaign to build up a threat to the government headed by Bruening. When Bruening fails to obey the orders of the German international bankers, Hitler is brought forth to scare the Germans into submission. The German international bankers have worked up great resentment in Germany, and their hired agents have prompted the Germans to unite in order to free themselves from their war obligations. But resentment, the bankers knew, was not enough. They had to put a weapon into the hands of Germany which could be used against the society of nations in general and against the United States in particular. They conceived the idea of robbing us by stealth, by fraud, and by trickery, and they have succeeded. Through the Federal Reserve Board and the Federal reserve banks over thirty billions of American money over and above the German bonds that have been sold here has been pumped into Germany. When these Federal reserve loans began, Germany used to repay them. She established herself as a fairly good risk. Then her borrowings became larger and larger. You have all heard of the spending that has taken place in Germany. You have heard of her new modernistic dwelling houses, her great planetariums, her gymnasiums, her swimming pools, her fine public highways, her perfect factories. All this was done on our money. All this was given to Germany through the Federal Reserve Board and the Federal reserve banks, and, what is worse, Federal reserve notes were issued for it.

A Federal reserve note is an obligation of the United States, and here you have a banking system which has financed Germany from start to finish with the Federal reserve notes and has unlawfully taken from the Government and the people of the United States. The Federal Reserve Board and the Federal reserve banks have pumped so many billions of dollars into Germany that they dare not name the total. I have repeatedly asked the Federal Reserve Board to send me a list of the acceptance credits granted by the accepting banks of this country by and with the consent of the Federal Reserve Board, and they have not. They can not and they dare not divulge the total. This is the Congress of the United States, but you have no information concerning the amount of Federal reserve currency that has been issued for the benefit of Germany on trade bills or acceptances. How, then, do you propose to proceed? Are you going to throw away our resources under the debt settlements we have with foreign nations in order to help Ger-



many do that which is forbidden in the Constitution of the United States? Are you going to make this Government a defendant in a million suits for damages brought on American citizens, whose property you propose to throw away?

Do you know that Germany has been lending our money to Soviet Russia as fast as she could get it out of this country from the Federal Reserve Board and banks? Do you know that she is the author of the 5-year plan; that she has armed and supplied Soviet Russia with our money? Do you know that Germany and Soviet Russia are one in military and industrial matters? Do you know that Germany is well armed and that we paid for her rifles and uniforms, her commercial trucks which can be converted for military uses inside of 24 hours? She leads the world in aviation. Why not, when the Federal Reserve Board and the Federal reserve banks have been secretly financing her for years. I challenge the Federal Reserve Board and the Federal reserve banks to come in here and submit to an examination and an audit of their accounts. Do you know that the Federal Reserve Board and Federal reserve banks have also been financing Soviet Russia and that Russia owes her an immense sum, of which \$150,000,000 is due by January 1, 1932, and that Russia has no money wherewith to pay it and will presumably be unable to pay it?

There are 9,000 German officers in the Russian Army. The Krupps are manufacturing war munitions in Moscow, and the manufacture is going on day and night. Thousands of armored trucks and tractors, currently used in Germany for commercial purposes, are convertible into war tanks within 60 hours. But the most important activities are in the fields of aviation and chemistry. The Germans and Russians are working unremittently on war gas and war flame in soviet-owned laboratories.

In addition to their debt to us, Soviet Russia has borrowed 535,000,000 reichsmarks from Germany, and that was our money, too. For the first nine months of this year Russian orders to German manufacturers amounted to 851,000,000 reichsmarks more than the entire amount Germany is legally bound to pay to France. These Russian orders, which, roughly speaking, amount to about \$202,620,000, were for general machinery, tool machines, and electrical supplies. Do you not think that Germany is doing a handsome business on the free paper Federal reserve notes unlawfully given from this Government for her benefit?

You have been informed that there is an alternative before the United States—that Germany will pay her commercial obligations if we effect her release from the payment of reparations. I say that Germany will not pay her commercial obligations. I say that the Federal reserve banks have purchased and rediscounted false, worthless, fictitious, and uncollectible acceptances drawn in Germany, and that those false papers are in the vaults of the Federal reserve banks, in the vaults of the designated depositories as security for money taken from the citizens of this country by taxation, and in other banks, and I say that they are worthless. It is a mere figure of speech to call them frozen assets. They are dead losses. The Government's money in the designated depositories is gone, leaving nothing but this worthless paper behind it. The Hoover proposal has already cost us \$1,500,000,000 in gold credit. How much more are we going to throw away? For my part, I say, "Not one cent." "Millions for defense, but not one cent for tribute."

We were called to the White House on October 6, and the President told us we were facing a national emergency. What was the emergency? It was a condition brought about by Herbert Hoover himself when he agreed to put this scheme across for the benefit of the international German bankers who control this country through the Federal Reserve Board and the Federal reserve banks.

Last year there was some inquiry into the Federal Reserve Board and banks, and George L. Harrison, governor of the New York Federal Reserve Bank, was asked to state the amount of acceptances purchased by the Federal reserve banks in foreign countries. He was unwilling to answer in public. He was permitted to answer in secret. Why was that? It was because the Federal Reserve Board and banks are the duly appointed agents of the foreign central banks

of issue and they are more concerned with their foreign customers than they are with the people of the United States. The only thing that is American about the Federal Reserve Board and banks is the money they use. The money is American but the contacts are European.

Who gave the Federal Reserve Board and banks the right to permit the German international bankers to loot this country and to take everything we had away from us? I say we will have an audit of these accounts and every Federal reserve bank and every director will be held liable for his acts in so far as he has been responsible for the exportation of American wealth to other countries and for the redistribution of wealth which has taken place in this country.

Do you think the stock-market collapse was accidental or, as some wiseacres say, that the American people changed their minds overnight? It was not accidental. It was a carefully contrived occurrence, and it was a part of this same Hoover moratorium which was the first move of the drive to cancel debts. The international bankers sought to bring about a condition of financial despair and anarchy here so that they might emerge as the rulers of us all, and the next step they hope to take with Hoover's assistance is the establishment of a new kind of war finance corporation under the control of the notorious short seller, Bernard Baruch, or another of the same stripe. Then you will see fascism here instead of the Constitution of the United States; then you will see a dictator controlling industry and production as we now have a dictatorship controlling money and credit. Do you want that to happen? No? Then you had better watch the manner in which you are being led by Mr. Hoover with his explanations as to where his leadership is taking you and the other people of this country.

[Here the gavel fell.]

Mr. GREENWOOD. Mr. Chairman, I yield to the gentleman 15 additional minutes.

Mr. McFADDEN. I thank the gentleman.

Now, let us consider the Young law, which this moratorium will break for the benefit of Germany. After the war came the treaty of Versailles. Whether it was good or bad is beside the point. It was Germany who asked for an armistice. It was Germany who was defeated. The treaty is what saved Germany. But was Germany completely honorable in her observance of that treaty? She was not. The world reechoed to her lamentations. Her propaganda kept up its work. When the Germans depreciated their currency they wiped out their internal debt. The losses in this country were enormous. So, too, were the losses in France.

At the present time the public debt of Germany is the least of the debts of the large European countries. By manipulation of her currency Germany freed herself of her internal debt. This is less than the other nations have to pay on their public debts. The other nations have already paid the internal public debt of Germany when they had their holdings of German currency wiped out by the manipulations of German bankers.

If Germany had sustained the burden of her own debt, as the Allies have done, and not obliterated it by inflation she would have had to raise 4,500,000,000 to 5,000,000,000 per annum in addition to her domestic expenditure. This would make it both just and practicable to add a provision in her budget which should bear some correspondence to the provision made in the Allies' budgets for their war expenditure.

Let us now consider the payments which are lawfully due from Germany under the Young law. Under this law Germany is required at the present time to pay a yearly annuity of 1,685,000,000 reichsmarks; of this amount France receives about half, or exactly 838,400,000 reichsmarks. This amount so payable to France divides into two classes: First, there is the conditional annual payment which amounts to 338,400,000 reichsmarks; secondly, there is the unconditional annual payment which amounts to 500,000,000 reichsmarks. The unconditional sum is subject to a heavy deduction for service of the amount already mobilized—Young bonds, and so forth. That amount is 44,500,000 reichsmarks. This leaves the unconditional amount for France at 455,500,000 only. Now, of this sum France has to take 80,000,000 reichsmarks



and add it to the conditional amount in order to meet her payments to England and the United States. That leaves her an unconditional sum of 375,000,000 reichsmarks.

France receives no punitive damages under the Young law. The unconditional payments represent for France less than half of the interest on the sum she has had to expend for the reconstruction of the devastated regions. It seems not unreasonable, therefore, for the French to say that no arbitrator and no court of international justice would tolerate such an indignity as the suppression or cancellation of these unconditional payments which are lawfully due to her. At this point I wish to insert in the RECORD a copy of Annex I of the Young plan.

## ANNEX I

Exchange of declaration between the Belgian, British, French, Italian, and Japanese Governments on the one hand, and the German Government on the other.

The representatives of the Belgian, British, French, Italian, and Japanese Governments make the following declaration:

The new plan rests on the principle that the complete and final settlement of the reparation question is of common interest to all the countries which this question concerns, and that the plan requires the collaboration of all these countries. Without mutual good will and confidence the object of the plan would not be attained.

It is in this sense that the creditor Governments have, in The Hague agreement of January, 1930, accepted the solemn undertaking of the German Government to pay the annuities fixed in accordance with the provisions of the new plan as the guaranty for the fulfillment of the German Government's obligations. The creditor Governments are convinced that, even if the execution of the new plan should give rise to differences of opinion or difficulties, the procedures provided for by the plan itself would be sufficient to resolve them.

It is for this reason that The Hague agreement of January, 1930, provides that under the régime of the new plan the powers of the creditor powers shall be determined by the provisions of the plan.

There remains, however, a hypothesis outside the scope of the agreements signed to-day. The creditor governments are forced to consider it without thereby wishing to cast doubt on the intentions of the German Government. They regard it as indispensable to take account of the possibility that in the future a German government, in violation of the solemn obligation contained in The Hague agreement of January, 1930, might commit itself to actions revealing its determination to destroy the new plan.

It is the duty of the creditor governments to declare to the German Government that if such a case arose, imperiling the foundations of their common work, a new situation would be created in regard to which the creditor governments must, from the outset, formulate all the reservations to which they are rightfully entitled.

However, even on this extreme hypothesis, the creditor governments, in the interests of general peace, are prepared, before taking any action, to appeal to an international jurisdiction of incontestable authority to establish and appreciate the facts. The creditor power or powers which might regard themselves as concerned would therefore submit to the Permanent Court of International Justice the question whether the German Government had committed acts revealing its determination to destroy the new plan.

Germany should forthwith declare that, in the event of an affirmative decision by the court, she acknowledges that it is legitimate that in order to insure the fulfillment of the obligations of the debtor power resulting from the new plan, the creditor power or powers should resume their full liberty of action.

The creditor governments are convinced that such a hypothetical situation will never in fact arise, and they feel assured that the German Government shares this conviction. But they consider that they are bound in loyalty and by their duty to their respective countries to make the above declaration in case this hypothetical situation should arise.

The representatives of the German Government, on their side, make the following declaration:

The German Government takes note of the above declaration of the creditor governments whereby even if the execution of the new plan should give rise to differences of opinion or difficulties in regard to the fulfillment of the new plan, the procedures provided for in the plan would be sufficient to resolve them.

The German Government takes note accordingly that under the régime of the new plan the powers of the creditor powers will be determined in accordance with the provisions of the plan.

As regards the second part of the declaration and the hypothesis formulated in this declaration, the German Government regrets that such an eventuality, which for its part it regards as impossible, should be contemplated.

Nevertheless, if one or more of the creditor powers refer to the Permanent Court of International Justice the question whether acts originating with the German Government reveal its determination to destroy the new plan, the German Government, in agreement with the creditor governments, accepts the proposal that the Permanent Court should decide the question, and declares that it acknowledges that it is legitimate, in the event

of an affirmative decision by the court, that in order to insure the fulfillment of the financial obligations of the debtor power resulting from the new plan the creditor power or powers should resume their full liberty of action.

The French, German, and English texts of the present annex are equally authoritative.

CURTIS.  
WIRTH.  
SCHMIDT.  
MOLDENHAUER.  
HENRY JASPAR.  
PAUL HYMAN.  
E. FRANCQUIL.  
PHILIP SNOWDEN.

HENRY CHERON.  
LOUCHEUR.  
A. MOSCONI.  
A. PIRELLI.  
SUVICH.  
ADATCI.  
K. HIROTA.

As you see, under the Young law, the French, acting singly or with others of the following powers—that is, British, Belgian, Italian, Japanese—can appeal to the Permanent Court of International Justice, where, upon a showing that Germany had committed itself to actions revealing its determination to destroy the Young plan, the French and other nations would, by a decree in their favor, have full liberty of action restored to them. Of course, Germany was guilty of those actions by using the President of the United States as an agent instead of acting for herself, according to the procedure laid down in the Young law, which procedure was binding upon her. After the visit of Premier Laval to this country President Hoover agreed that whatever is done must take place within the structure and provisions of the Young law, consequently there is no use in hoping for the Hoover moratorium now. It is a dead letter. It will do nobody any good and it will do the United States a great deal of harm.

In discussing this matter in the French Parliament, Premier Laval said:

But, given the nature of the engagements, freely accepted and quite recently subscribed to, of the Young plan, the solemnity with which the definitive and unalterable character of the unconditional annuities by which the necessary permanence of the principle of reparations is expressed was recognized, there would be great risk of upsetting confidence in the value of signatures and of contracts and thus to go against the end aimed at if, in the proposed suspension of payments, the unalterable annuity were treated like the conditional annuity.

The CHAIRMAN. The gentleman from Pennsylvania has consumed one hour.

Mr. GREENWOOD. Mr. Chairman, I can not yield additional time, but I would like to yield the gentleman one minute to ask a question.

Mr. McFADDEN. Before I do that, may I have the privilege of inserting these four additional pages in the RECORD to complete the statement I am making? I would also like to insert in the RECORD some extracts from the debates in the French House of Deputies covering this same subject.

Mr. PURNELL. Is the gentleman asking unanimous consent to do that?

Mr. GREENWOOD. No; I did not ask unanimous consent.

Mr. PURNELL. The gentleman is obliged to have unanimous consent, because under the rules of the House he is only entitled to one hour.

Mr. GREENWOOD. I ask unanimous consent that the gentleman's time may be extended one minute so that I may ask a question.

The CHAIRMAN. Without objection, it is so ordered.

Mr. O'CONNOR. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. O'CONNOR. The gentleman from Pennsylvania has been referring to a lot of papers here, and he has been asking himself or somebody in the front row whether or not he might insert them in the RECORD, and so far he has not asked the Chair or addressed the Chair for unanimous consent.

The CHAIRMAN. The Chair understands that. The Chair has propounded the question as to whether or not there is objection to an extension of his time one minute. [After a pause.] The Chair hears no objection. The gentleman is recognized for one additional minute.

Mr. BLANTON. How about the gentleman's request to insert these documents?



The CHAIRMAN. No such request has come to the Chair. A request for unanimous consent has come to the Chair from the gentleman from Indiana and that request has been placed before the committee and no objection has been offered. So the gentleman is recognized for one additional minute by the unanimous consent of the House.

Mr. McFADDEN. Mr. Chairman, I ask unanimous consent to extend in the RECORD the matters I have just referred to.

The CHAIRMAN. Without objection, it is so ordered.

Mr. COOPER of Ohio. Mr. Chairman, I do not believe anyone had a chance to object to the unanimous consent request. The Chair passed upon it so quickly, that no one had a chance.

The CHAIRMAN. Did the gentleman from Ohio desire to object?

Mr. COOPER of Ohio. I do.

The CHAIRMAN. Objection is heard to the request.

Mr. BOYLAN. Mr. Chairman, I make the point of order the Chair had already decided that the gentleman was permitted to insert the matter referred to.

Mr. GREENWOOD. Did I understand the ruling of the Chair to be that there was objection?

The CHAIRMAN. There was objection to the extension of the gentleman's remarks.

Mr. BOYLAN. But the Chair had decided there was no objection. I think the RECORD will show that.

The CHAIRMAN. The Chair stated with respect to the proposal that, without objection, it was so ordered. The gentleman from Ohio immediately proceeded to object.

Mr. BOYLAN. I understood the Chair to make its decision before the gentleman objected, and I think the RECORD will show that proceeding.

The CHAIRMAN. The Chair stated the proposition and said that without objection the application would be granted, and objection was then made.

Mr. GARRETT. Mr. Chairman, I make the point of order that the gentleman from Pennsylvania in the course of his remarks at intervals expressed a desire to enter as a part of his remarks certain documents that the gentleman referred to. The Chair, in response to the gentleman from Pennsylvania, stated that, without objection, it would be so ordered. At that time and as to those documents unanimous consent was granted. The gentleman from Ohio [Mr. COOPER] makes his objection at the end of the gentleman's speech, when he has asked unanimous consent to revise his remarks. He can not, by that objection, strike out of the gentleman's remarks the documents that he had put in by unanimous consent.

The CHAIRMAN. Obviously, the last objection will not vitiate the unanimous consent heretofore granted to the gentleman from Pennsylvania.

Mr. BOYLAN. That is the very point I was making.

Mr. GREENWOOD. I understood the objection of the gentleman from Ohio [Mr. COOPER] to be to my unanimous-consent request and not to the request of the gentleman to insert certain documents in his speech.

Mr. COOPER of Ohio. If the gentleman will permit, my objection was to the unanimous-consent request of the gentleman to extend the time of the gentleman from Pennsylvania one minute.

The CHAIRMAN. And there was no objection to the gentleman inserting any documents in his speech?

Mr. COOPER of Ohio. I do not know that that question has been put by the Chair.

The CHAIRMAN. The Chair will then submit the request of the gentleman from Pennsylvania. The gentleman from Pennsylvania asks unanimous consent to extend and revise his remarks in the manner indicated. Is there objection?

Mr. O'CONNOR. Mr. Chairman, reserving the right to object—

Mr. COOPER of Ohio. I object, Mr. Chairman.

Mr. O'CONNOR. Will the gentleman withhold his objection a moment?

Mr. COOPER of Ohio. I will, for a moment, yes.

Mr. O'CONNOR. Mr. Chairman, I seek this opportunity to call the attention of the Republican side of this House to the most extraordinary occurrence in this body to-day. If what the distinguished gentleman from Pennsylvania [Mr. McFADDEN] says about the "dishonesty" and the alleged treason of his President—and my President—be true, he has here to-day, on this floor, impeached the President of the United States, and articles of impeachment seem inevitable. [Applause.] These most serious charges against the Chief Executive are not made from any unimportant or irresponsible source. They are deliberately and vehemently uttered by one—a Republican—from the last-remaining citadel of the "party fit to rule"—Pennsylvania—and mark you! by one who for 10 years has been the chairman of the all-powerful Committee on Banking and Currency of the House of Representatives, the official mouthpiece of Presidents Harding, Coolidge, and Hoover on all banking questions, domestic and international. The "gods" have spoken! Hear them, ye! Oh, I sincerely hope that some Republicans will rise in their places to the defense of the President, because, Mr. Chairman, if they do not, mayhap, I shall do it. [Applause.]

Mrs. KAHN. Mr. Chairman, I rise to a point of order. There are demonstrations coming from the galleries.

The CHAIRMAN. The Chair will admonish the occupants of the gallery to refrain from expressions of approval or disapproval of what may be said or done on the floor of this chamber.

Mr. PURNELL. Mr. Chairman, I yield 20 minutes to the gentleman from Illinois [Mr. CHIPERFIELD].

Mr. CHIPERFIELD. Mr. Chairman and ladies and gentlemen of the committee, I had asked for time in order that I might present some thoughts to the House on a subject that I considered timely. But after the very tragic and remarkable address that has just been delivered to this committee of the House of Representatives, it occurs to me that no business is in order until either the brand of falsehood is put upon the extraordinary statements contained therein or the President of the United States be properly called to justice. [Applause.]

Such charges, Mr. Chairman, unless we have lost all of our sense of decency and honor, can not go unchallenged in this House. To attempt to treat them lightly or to gloss them over or lay them aside involves the honor of the United States and impeaches our own integrity. Of this there can be no doubt or question in the mind of any honorable person.

I have nothing but a kindly regard for the gentleman from Pennsylvania who has just left the floor. He has been my friend since I first came, for a short term, to the Congress of the United States nearly 15 years ago. However, it is not a question of friendship or lack of friendship to-day. There seems to run through my mind in connection with the speech of the gentleman from Pennsylvania that verse of rebuke, "How sharper than a serpent's tooth is an ungrateful child," and that applies, it seems to me, whether the lurid statement be true or untrue, in view of the many honors conferred upon the gentleman by this side of the House. [Applause.]

Now, Mr. Chairman, I want to speak of the situation presented by his address for a little while. A part of it is known to me personally. I do not pretend to say that I have intimate knowledge concerning the entire field traversed by the gentleman from Pennsylvania. But some of these things I do know. I regret that we are not more fully aware at this time how much of what he said was quotation from various sources and how much was his own statement.

I also know the law that applies to the situation, "That he who repeats a slander is equally guilty with him who conceived it." Yes; frequently under the law one who repeats a slanderous statement is more guilty than the originator of the slander.

I went into Germany with the army of occupation, and for many months I had charge of the civil affairs across the Rhine in the area we occupied, where I had an excellent



opportunity to see and observe the conditions of these conquered people and their country.

I hold no brief for Germany. I have not abated the feeling that I had when I followed the flag during the war. I hold no brief for the President of the United States, but I want to defend the office of the Chief Executive of this Nation from the horrible and, in my opinion, unfounded, charge that has been made so unfortunately in this House this day against our President.

When we went into Germany shortly after the armistice I saw the people of that area, and I know the condition in which we found them. I know that a large part of the people of Germany were distressed, broken, and starving. I know that all of the meats and fats and things that were necessary to properly sustain life were gone. I need no man's information or story about that, because I know it myself from what I saw. I saw the little children of Germany with their arms and legs misshapen, looking as though they had been broken, because of malnutrition and the lack of proper food.

I did not know at the time what it was that caused this condition until it was explained that it was starvation. I think I have never seen a finer sight than these little ones coming to the mess of the American troops and securing food, or of some big doughboy walking down the street hand in hand with some of these hungry little children, feeding them a part of his rations as they walked along.

It is said that 800,000, mostly the old and the young, died in Germany from the lack of proper foods during the war.

Germany was exhausted financially and practically ruined at that time, as any man must know, if he will but think, and the only source from which Germany has since paid any considerable part of its indemnity or reparation to the United States or other nations is from borrowed money. She has been clever enough to borrow enough money from other countries to declare a dividend on what she owes. I am not defending this part of it. I merely call attention to the situation.

I do not know who inspired or wrote the speech delivered by the gentleman from Pennsylvania [Mr. McFADDEN], but I hold in my hand a copy of the Washington Star of last evening—I am not sure about the date—in which appears an article by Adolph Hitler. In this article Mr. Hitler, so the heading says, "diagnoses the situation." Let me read you an extract therefrom showing a very comfortable and friendly feeling on the part of Hitler toward the gentleman who has just addressed the House.

This is Mr. Hitler's purported language as quoted by this newspaper:

As a matter of fact the United States has already started to exercise an opinion of the present situation. I refer to the statement—

Then he named a gentleman in the other Chamber whom by the rules of this House I am forbidden to name—

and Representative LOUIS T. McFADDEN.

That is the language of Adolph Hitler, when he comments upon the fact that the people of the United States are awaking. I know just as much about the situation in Germany from visits that I have made there since as does the gentleman who has addressed you. I know very well that his statement is unfounded, to speak as kindly as I can, trying to keep within parliamentary language, that the international bankers are financing Hitler. They have nothing in common with Hitler.

Mr. McFADDEN. Mr. Chairman, will the gentleman yield?

Mr. CHIPERFIELD. Yes.

Mr. McFADDEN. I did not say that the international bankers were financing Hitler. I said that German industrialists were financing him.

Mr. CHIPERFIELD. I would not willingly misquote the gentleman, and if that is the way he wants his remarks to stand, I withdraw mine. I would not do the gentleman an unkindness or injustice, or any other Member of the House, consciously. Does the gentleman mean by the industrialists those who work or those who conduct the factories?

Mr. McFADDEN. I mean German industry as it is organized to-day.

Mr. CHIPERFIELD. Be specific.

Mr. McFADDEN. It is a question of what I said.

Mr. CHIPERFIELD. All right. Every gentleman can construe the matter for himself. I say that the statement that any substantial and responsible members of organized society in Germany are financing Adolph Hitler has no basis in fact whatsoever. [Applause on the Republican side.] In my judgment, it is not warranted, and, inoffensively speaking, I say it is not true. Let me tell you what will happen.

The gentleman declared that the international bankers would take control of Germany, or that Hitler would. I say to you that it will not be the international bankers who will take control of Germany, but that before spring comes it will be Hitler who will take over Germany, to the confusion of all the world, if the financial fabric of Germany breaks down. There is no doubt about that in my mind. Some gentlemen say, what do we care if that is so? Is there any man within the sound of my voice who is so unconcerned that he can quietly ask that question?

The gentleman was right in one respect, and I am in entire accord with him when he makes the statement that fraudulently, yes, wickedly, there have been placed in circulation for sale, and negotiated in this land, untold millions of German and other foreign bonds, bonds that no government ought to have permitted to be sold here; but I may also say, as long as we are on the subject, for I want to keep to the same line of thought, that these German and other foreign bonds are no worse than many of the mortgage bonds and securities of Stone & Co. and Straus & Co., Foreman & Co., and other bonds that have been sold in vast quantities in this country to the guardians and administrators and the small investors of the land, and thereby making difficult the financial situation of hundreds of thousands of our citizens.

But we have to address ourselves to this situation. Will you pardon me if again I say, and I say it most modestly, I am not a financier. I do happen to be the president of a bank. I do not profess to know much about banking, but I want to tell you that everyone will know what I am saying is true. We are past the period in this country where lack of confidence is taking the money from the tills and vaults of the banks. The banks that remain and are doing business are mostly the sound banks of the country, but there is a situation with reference to them that is startling. Do you know that the bonds and securities that constitute the liquid assets of banks are going down day by day, until there is danger to the banks of the country that comes from a depletion of the value of their assets, and which, apparently, no man is able to stop? Many of you know my statement is true. Let me make this remark to you, and I bespeak from you its serious consideration.

If these German and other foreign securities are to be still further reduced in value, until they are virtually worthless on the market, it is going to break the price of every security in every bank in the United States, and ruin or loss will come in many cases to the innocent depositor who has his money in many such institutions. You might as well squarely face that situation.

I do not want to say anything more about that at this time, as I want to get back to the main subject. As a lawyer, I think I can understand the counts of an indictment.

One of the counts in this indictment presented by the statements of the gentleman from Pennsylvania, is that the President of the United States has entered into direct negotiations with Germany and German interests, for the purpose of selling out the Government of the United States.

Let me use even stronger language than the gentleman did. If this was done by the President of the United States, he was a traitor to the American people. This is no time to mince matters. This is the time and place to speak plainly.

The gentleman also said that the President was the agent of the financial interests who were serving Germany, and which are opposed to the United States.

I do not care whether he said it by way of quotation or whether he said it as a direct charge.



He declared that there was an agency existing between the President of the United States and interest adverse to the United States. That is, the President was the agent of German financial interests. Very well. Let us follow it a step farther. An agent for every purpose within the scope of his authority is a principal, and the statement puts the President within the same category as a principal would be placed, as wickedly adverse to the United States.

I denounce all these statements as false and untrue, without offense to the gentleman; I denounce as false and untrue any statement that the President of the United States has negotiated directly with German financial interests. I denounce the statement that the President is the agent of any German financial interest which is adverse to the people of the United States.

The statement was also made that the President had sold out the United States.

What does that mean, my friends? By the ordinary construction of language, if there is a sale, there is also a price; and, if there is a price, the money that Judas took for the betrayal of Christ is no more foul than the money that would be taken under such circumstances by the President of the United States. I denounce as false and untrue the statement that the President has sold out the interest of the United States.

I do not know that I will claim the floor again. I have not claimed it in the past. But while I am on my feet let me say one word to both sides of the House, not in the attitude or the language that was used the other day—let me say it earnestly. I want you to remember, as I try to remember and as each of us tries to remember, that the honor and standing of the Congress of the United States is now at too low an ebb in the estimation of many people. I am not saying that we deserve it. I am saying that there is a widespread lack of confidence in the Congress of the United States. Men are apt to sneer at it and discuss lightly its honor and actions.

Ladies and gentlemen, if there is one particle of truth in the statement the gentleman has made, and if any integrity remains in us, let the gentleman be required to produce proof of his charges. Let him show that we have a President who is unworthy of occupying that high office, or let him go from this chamber as a foul traducer and assassin of the character of an honest man. [Applause.] These terrific accusations are too serious to lay aside. Let us not stop there.

Mr. O'CONNOR. Will the gentleman yield?

Mr. CHIPERFIELD. I yield.

Mr. O'CONNOR. Will the gentleman make the record clear that the charges of which he has just spoken were made by a Republican?

Mr. CHIPERFIELD. Does my friend suppose that the record does not already show that fact? I can not agree with you in view of what he has said, that he is any longer a Republican. His time came from the Democratic side of the House. [Laughter and applause.]

Now, let me conclude.

Mr. MAY. Will the gentleman yield?

Mr. CHIPERFIELD. I will.

Mr. MAY. Not in an antagonizing way, but does the gentleman not think that if the German Government should meet its obligations in the payment of interest, it would tend to stabilize its bonds and securities?

Mr. CHIPERFIELD. I surely do.

Mr. MAY. Rather than depreciate them?

Mr. CHIPERFIELD. I surely do, and no man, it seems to me, can think otherwise. It is only a question of its ability to do so. If it has the financial ability, then the proposition of granting further delay is indefensible.

Mr. MAY. Does not the gentleman think that its failure to do it will tend to depreciate the value of its securities?

Mr. CHIPERFIELD. Yes; as a categorical answer, but let me go a little farther. I am not saying this offensively. These loans about which we are having so much trouble—not the loan to Germany, because it does not come as a public loan exactly—but virtually all of these loans were

made by the Democratic administration of President Wilson. Had I then had a vote upon the proposition at that time I probably would have indorsed what was done. But these loans were recklessly and improvidently made and the difficulty comes now in attempting their collection.

If the President is seeking to give time for the payment of interest when interest can be paid without striking down the financial structure of Germany, then I would not agree with him. If, on the other hand, it is not possible to make collection without bringing about the collapse of the financial structure of Germany his action is well justified.

Let me conclude the sentence which I started a moment ago.

Mr. BLANTON. Will the gentleman yield?

Mr. CHIPERFIELD. I yield.

Mr. BLANTON. It should be understood that the distinguished gentleman from Pennsylvania [Mr. McFADDEN] all during the Hoover administration has been the Republican chairman of the great Committee on Banking and Currency of this House?

Mr. CHIPERFIELD. I will gladly incorporate that as a part of my remarks, if the gentleman so desires. I want him fully identified for, it seems to me, the horror of future generations, unless he can sustain the serious and outrageous charges which he has made against the President and his high office.

Now, Mr. Chairman, just one word further. I stated what the consequences should be to the gentleman. If the gentleman wants the House to believe what he states and if he is sincere, let him and his associates prepare articles of impeachment for presentation against the President of the United States, and let those articles of impeachment, if voted, be tried in the orderly way, and then the truth may be known, let the guilt and infamy and horror fall where it may. I merely say in conclusion that the President of the United States would ask for such action, knowing that the simple truth and a fair inquiry would fully vindicate him of these atrocious charges. If the statements made by the gentleman from Pennsylvania are not sustained by him, then he must bear the odium that attaches to one who falsely slanders and willfully assassinates character.

I thank you for your attention. [Applause.]

Mr. PURNELL. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. DAVENPORT]. [Applause.]

Mr. DAVENPORT. Mr. Chairman, I have recently come into the Chamber and have not heard the whole of the speech of the gentleman from Pennsylvania, but I have caught the drift of it. It is a perverted interpretation of events relating to the German moratorium. The twisted nature of it will be clear to the country when the cogent statement before the Ways and Means Committee by Mr. Mills, of the Treasury, to which I have just been listening, is made public.

I was in Germany during the week that preceded the declaration of the moratorium. I spent most of that week with men well informed in the business and financial world of Berlin and with members of the Government, and I think this: That the situation in Germany as I saw it had gotten far beyond any question about international bankers. It was a question not even of starving people. It was a question of the slipping out from under a great nation of the whole economic and financial underpinning. The result in a very short time would have been the breaking down of the Bruening-Curtius government and the coming of Hitlerism into power. If a man like Bruening can not master the situation in Germany, a man like Hitler could not long control it, because while he is an able man, he is of a distinctly more emotional type and less intelligent than Bruening, and it would not be long before communism would have come in Germany. It was a situation like that which the President of the United States faced rather than any crisis of international bankers. It was a case of crumbling civilization in Europe.

Mr. SIROVICH. Will the gentleman yield for a friendly question?

Mr. DAVENPORT. Yes.



Mr. SIROVICH. Does the gentleman know that Curtius is being kept in office by the Socialists to-day and that the Socialists can not be accused of being friends of the international bankers?

Mr. DAVENPORT. Curtius is not now in office in Germany. Curtius was a strong man, but there was a party and political situation which made it better to put somebody in his place.

I am happy to come to the defense in this place of the President of the United States.

It is easy to dramatize a President like Theodore Roosevelt who, though a member of the Dutch Reformed Church, was essentially a fighting Methodist. It is not so easy to understand or appreciate a President who has the quieter psychology of a Quaker inheritance. It is another kind of power, equally effective and of great constructive importance in a period like this when quietness of spirit and thoughtfulness and practical ideas are worth more to the world than anything else.

We have come upon a time when there is far greater power in ideas than in arms, when brute force is failing throughout the world as a means of solving any major problem. In the month of June of this year Germany was on the verge of financial collapse, and collapse might soon have meant communism for Germany, further economic and political disaster in Europe, and greatly prolonged agricultural and industrial disorganization in the United States. Germany attained a breathing spell and at least a chance to find her way out, through the power of two ideas and nothing else—the idea of the debt holiday and the idea that by international agreement it might temporarily be determined what short-term loans Germany could safely pay and what she could not pay. There is at least a lessening menace of Hitlerism and communism in that country, and recent dispatches indicate that the German people are ready to develop their own forms of relief, by a sweeping emergency program of reduction in prices and rents and rates of interest as well as wages and by heavy penalties for those who send their capital out of Germany.

Those two ideas, which are giving Germany a chance, which are aiding in the settlement of Europe after a great tragedy, and which are thereby lessening the economic peril of America, are the product of the leadership of the President of the United States. And in that particular crisis, international dislocation and relations being what they are following the war, the President of the United States has been working for the people of the United States at every moment in the negotiations.

In what are esteemed more purely domestic concerns there is also overwhelming evidence of the quiet power of character in the Presidency and the leadership of unspectacular but effective ideas. In many other countries there have been revolution, disorder, national bankruptcy, artificial inflation, and panics on a wide scale; in America, none of these major evils. The serious manifestations of economic distress and inequality in the United States have been met by the people, as the President has met them, with quietness, with a sense of responsibility of all for each, with the assurance that Government would do everything that a government should do, with a tremendous fulfillment of private initiative and generosity, without strikes or disorders or other ineradicable marks of industrial conflict.

The President has sought the way out through practical, effective ideas which grow out of the experience of peoples and governments, including our own, in similar crises, and also through new ideas of constructive genius. The principle of maintaining wages wherever it can be reasonably done, the expediting of Federal construction and the inspiring of State and municipal public works, the sponsoring of the magnificent effort of Walter Gifford and his associates in preparing throughout America for the hard winter of unemployment; the attempt at stabilization of agricultural and commercial and home-loan finance in time of peril, the many practical suggestions of the presidential message—all these indicate leadership of a high and practical order. Instead of inflation, the setting free of the idle money in the

private hoards and frozen banks and setting it to work for the Nation.

Instead of reaching blindly into the common treasury of the country for the purpose of the unintelligent distribution of a deficit, the setting to work of the vast resources of private initiative and generosity in America to accomplish the task. This is the statesmanship of ideas and not the politics of demagoguery. It is a process of facing realities with high intelligence. The alleged sin of being an optimist about America at the onset of the catastrophe is one which may easily be forgiven. There is no reason for us to expect that any man, because we have elected him President of the United States, should become endowed by that election with supernatural powers of prophecy and vision to foresee and forfend a catastrophe beyond the range of human experience.

Yet, large numbers of the American people have an unhappy tendency to blame the pilot at the helm when the storm rages and dangers threaten. It is not a tendency to be encouraged in the Congress or the country. The year before Abraham Lincoln came up for election the second time, he was the subject of such bitter denunciation and attack that the confidence of large numbers of the American people was shaken, and no man of prominence could be found who predicted his reelection. A turn in the fortunes of war and the deep underlying sense of right in the breasts of the people reelected Lincoln. Wilson had a similar experience of public ill-will, and so had Washington.

We compare no man in American history with Lincoln, at least I do not. But every great and effective President who has sought with high intelligence and with all his soul to lead his people straight is entitled to the meed of gratitude and cheer. [Applause.]

This is not the President's depression nor any party's depression. If men go to war, they suffer the aftermath. If men kill each other and destroy each other's wealth, there is no escaping the penalty. If men inflate values and prices beyond all reason, there is a judgment day. It is not in the power of human ingenuity to escape it. The human race was engaged for four years in the most vicious of all wars, a war of populations and deliberate inflations of currency and credit to facilitate the war. We are now reaping the harvest. The sin of war and the sin of inordinate speculation after the war, and the sin of neglect of the economic security of the masses of the people are bringing their retribution upon the just and the unjust alike, as they did in the days of which Abraham Lincoln wrote in his second inaugural:

Fondly do we hope, fervently do we pray, that this mighty scourge of war may speedily pass away. Yet if God wills that it continue until all the wealth piled up by the bondsmen's 250 years of unrequited toil shall be sunk and until every drop of blood drawn with the lash shall be paid by another drawn with the sword, as it was written 3,000 years ago, so still it must be said, "The judgments of the Lord are true and righteous altogether."

It is this background of world-wide economic and moral failure that we must hold in imagination when we estimate the burdens and the services to America and mankind of the present President of the United States. [Applause.] We have a right to be grateful that we have at the helm of the ship, in the gigantic storm which envelops the world, a pilot of quietness and of ideas, for it is only the leadership of balanced judgment and adventurous wisdom that is of any advantage to us now. [Applause.]

Mr. RAINEY. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. CANNON].

Mr. CANNON. Mr. Chairman, I regret to have to digress from the very interesting family discussion which has been in progress on the other side of the aisle, but in view of the attention that is being paid our international relations, I trust it will not be amiss to consider briefly a matter of domestic concern.

It is true the country is confronted by grave international questions, but it is also confronted by grave domestic questions. In fact, this Congress probably faces the most serious domestic situation ever faced by any Congress in time of



peace. We are confronted by many intricate and perplexing questions, and by none more intricate or more perplexing or more important than our agricultural problem.

Twice Congress passed a bill—passed by an overwhelming majority in both Houses—a bill designed by the farm organizations of the Nation for the solution of this question, then in its incipency. And twice the President vetoed the bill, while farm conditions grew steadily worse. Finally the President, in order to prevent the bill passing Congress a third time, devised a substitute which was press-agented throughout the country and on this floor as the ultimate solution of the whole question. And Congress, despairing of being permitted to formulate a bill of its own, reluctantly accepted it.

It was enacted as the agricultural marketing act, and as such it occupies a position unique in legislative annals. No other legislative measure ever failed so completely to achieve the purposes for which it was enacted as the agricultural marketing act.

Under the administration of the Federal Farm Board, which it created, the price of farm products has declined to the irreducible minimum; land values have shrunk almost to the vanishing point; and the purchasing power of the farm—the farm income—has declined so steadily that farmers are everywhere being dispossessed of their homes; business men and professional men dependent on farm patronage are being forced into bankruptcy at an appalling rate. Banks serving agricultural communities are failing in unprecedented numbers. And the condition of industry and labor, deprived of their greatest market, has precipitated a national crisis of unmeasured proportions, a crisis so portentous that the end can not be foreseen.

Whether the failure of the agricultural marketing act is due to inherent defects in the law itself or to the maladministration of the Federal Farm Board, charged with its enforcement, is a question which remains to be answered. But it must be answered. So acute is the situation and so insistent is the demand for an investigation which will answer this question that an official inquiry is inevitable. There is no alternative.

The demand for an investigation comes from both farm and factory. It comes from farm organizations, from the press, from the friends of the Farm Board, and, I trust, from the Farm Board itself.

It is not a partisan matter. It is not a political issue. It is an economic and a legislative proposition and should be approached as such. It is a subject for calm, dispassionate, impartial, judicial determination.

The country wants to know—and the Congress must know—whether these conditions arise from inadequacy of the law, from incompetency of the board, or from causes which legislation, or agencies created by legislation, are powerless to affect. Upon the accurate determination of this question rests not only the future course of agricultural legislation but of legislation for the alleviation of practically every economic evil of the day. The rehabilitation of the country, the recovery from the depression, the return to prosperity must start with the farm. The buying power of the farm must be restored. Until it is restored there can be no permanent market for the products of labor or industry. An open, honest, complete investigation of the entire subject is imperative and merits the interest and cooperation of everyone.

With that in view, let us examine briefly the charges which have brought about the demand for an investigation of the administration of the Federal Farm Board. They relate to practically every activity in which the board has engaged.

1. It is charged that the board is carrying an overhead out of proportion to its requirements; that it is overstaffed; that it is paying salaries in excess of those paid for similar services in other departments and in private business; and that the employees of the Stabilization Corporation and Farmers Grain Corporation, in particular, are receiving compensation materially higher than that received prior to their employment by the board.

2. It is charged that the cost of the board's stabilization program has been exorbitant, especially in prices paid for the business, good will, and physical properties of firms and corporations and in unnecessary shipment and storage and reshipment and restorage of commodities.

3. It is charged that the board has organized and established stabilization corporations and subsidiaries when it could have utilized the services of existing cooperative organizations which would have better served the purpose of the act under which the board was operating.

4. It is charged that unjust discrimination has been exercised by the board in making loans and in advancing credits, and that cooperative organizations have been, for irrelevant reasons, denied credit to which they were entitled under the law.

5. It is charged that the board has exercised undue control over organizations accepting loans and has exacted compliance with requirements unwarranted by the intent of the law.

6. It is charged that the board has sought to supplant and destroy farmer-owned cooperative agencies in existence at the time the board was organized and that it has used Federal resources at its command to drive existing cooperatives out of business, retarding the development of the cooperative movement the act was intended to foster.

7. It is charged that the board has failed to cooperate with other branches of the Government in that it has financed industries in unlawful operations and has continued to finance them after a Federal court has held such operations to be illegal.

8. It is charged that stabilization corporations, with the knowledge and approval of the board, have been operated in violation of the law under which they were chartered, with particular reference to amounts of commodities purchased from their members and amounts purchased from others.

9. It is charged that the board has attempted to influence elections and has expended large amounts in publicity intended to affect public sentiment.

10. It is charged that the board failed to cooperate fully in urgent drought-relief work in that it permitted charges against grain handled in that connection which the situation did not warrant.

11. It is charged that unwarranted purchases of commodities and contracts for options on the Chicago Board of Trade and other exchanges were made by the board and were continued when it was apparent that heavy losses incident to such operation were inevitable.

12. It is charged that stabilization operations in basic commodities were delayed by the board until all but a negligible amount of the year's crops had left the farm and that such stabilization operations were then discontinued before the next year's crops were ready for market.

13. It is charged that large quantities of commodities were thrown on the market by the board at harvest time and the price forced down just as farmers were marketing their crops.

14. It is charged that discrimination against domestic consumers and in favor of foreign consumers was practiced by the board in the sale of commodities by granting to foreign buyers advantageous terms of sale which were refused buyers for home distribution.

15. It is charged that the board has depressed the price of farm products by refusing to make public the amount and extent of their operations and by permitting exaggerated estimates of their holdings to gain currency, and that they have declined to make public the total cost in brokerage, commissions, interest, insurance, transportation, processing, and storage of commodities held by its stabilization corporations.

There are other charges, but those itemized are of such a nature and have gained such wide circulation as to warrant the fullest investigation. If they are without foundation, the sooner they are discredited the sooner will the Farm Board have the unqualified confidence and support of the public. If they are sustained, the sooner the remedy



can be applied. In either event, the way will be cleared for the accurate and effective solution of a problem which must be solved before remedial legislation can be enacted. The courts have held since the adjournment of the last session that the power of investigation is properly exercised by Congress preliminary to the formulation of appropriate legislation. When a great disaster occurs within the jurisdiction of either the Navy or the Army, a court of inquiry is at once assembled to determine the causes and to deduce facts to assist in preventing recurrence of the catastrophe. Certainly in the face of a catastrophe which has beggared our greatest industry and has wiped out billions of national assets, the only course which can be consistently followed is to require an investigation to inquire minutely into the disaster and its causes, and to endeavor to provide against further losses and to insure an early return to normal conditions.

I am certain the members of the Federal Farm Board will welcome such an inquiry. The charges brought against them collectively and individually are of too serious a nature to be passed over, even if no weightier issues were involved. They should have the fullest vindication, or else responsibility should be placed where it properly belongs. It is a matter which does not admit of temporization or compromise.

And for the same reason the investigation should be made by a special committee. Many members of the great Committee on Agriculture—and it is one of the greatest committees of the House—assisted in reporting the bill when it came up for consideration. To that extent it is their own handiwork. And to the same extent the Farm Board is their protégé. It follows that they should not wish to be embarrassed by being called to pass on questions which this investigation raises. Under our court procedure no tribunal sits upon a case in which there is any personal interest. And this investigation should not be made an exception.

Personally, I am convinced that every member of the committee is not only competent to pass on all questions which would be raised in such an inquiry but that the committee would discharge the duties of the investigation fairly and efficiently and perhaps more effectively than any other committee that could be appointed. However, in justice to them they should not be required to undertake it. Every care should be taken to anticipate criticism, every precaution should be observed to obviate any charge that the investigation is being whitewashed. If we are to pass the economic crisis in which we find ourselves, if we are to end this depression, we must restore confidence. That is the first step. We must have the confidence and cooperation of the public and we can not afford to omit any precautions which will insure fairness and justice in a matter of such vital and immediate importance, and in which there is such universal interest. It is to be hoped that the Committee on Rules, to which the resolution has been referred, will accord it an early hearing.

The resolution is appended:

*Resolved*, That the Speaker of the House of Representatives be, and he is hereby, directed to appoint from the membership of this House a select committee of nine members, which said committee is hereby authorized to fully investigate all operations, activities, and proceedings of the Federal Farm Board since its establishment, including the activities and transactions of all its subsidiary corporations and organizations and its relations, communications, and transactions with all cooperative organizations and other marketing agencies and associations.

*Resolved further*, That said committee is also hereby authorized and empowered to appoint such subcommittees as it may deem advisable, and the said committee or any subcommittee thereof is hereby authorized to sit during the sessions of the House or during any recess of the House, and to hold its sessions in such places as the committee may determine; to require by subpoena or otherwise the attendance of witnesses, the production of books, papers, and documents, to administer oaths and affirmations, and to take testimony.

*Resolved further*, That the Speaker is hereby authorized to issue subpoenas to witnesses upon the request of the committee or any subcommittee thereof at any time, including any recess of Congress; and the Sergeant at Arms is hereby empowered and directed to serve all subpoenas and other processes put into his hands by said committee or any subcommittee thereof.

*Resolved further*, That said select committee shall have the right at any time to report to the House in one or more reports

the results of its inquiries with such recommendations as it may deem advisable.

Mr. RAINEY. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to; accordingly the committee rose, and the Speaker having resumed the chair, Mr. LOZIER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the President's message and had come to no resolution thereon.

#### THE FEDERAL FARM BOARD

Mr. WELCH of California. Mr. Speaker, I ask unanimous consent to print in the RECORD a 2-page statement in the form of an address on the San Francisco Grain Trade Association of the Chamber of Commerce.

The SPEAKER. The gentleman from California asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

There was no objection.

Mr. WELCH of California. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following:

SAN FRANCISCO, CALIF., November 18, 1931.

The San Francisco Grain Trade Association has been opposed to several basic purposes of the agricultural marketing act which became effective on June 15, 1929, ever since the act was formulated.

The association maintains that the country-wide set-up of the grain trade forms a vast economic machine whereby the Nation's grain and cereal crops are marketed in a most efficient and economical manner—and with the full benefit of competitive buying for the producer's advantage—and that no power of Government can improve on the present system for the benefit of agriculture.

The association also maintains that a careful study of the cooperative movement will disclose the fact that most of such organizations have functioned well only in times of normal or short crops, failing utterly in times of surpluses.

The association believes that the speculative element incidental to trading in grain is a valuable aid to the stabilization of grain prices in its final analysis, and therefore opposes the feature of the act which contemplates minimizing speculation.

The association decries the attempt of the Government to prevent and control surpluses, maintaining the absurdity of such efforts, at least in a democratic country. Nature's great economic forces must prevail in a land where individual initiative and effort are not controlled, and history clearly demonstrates that governmental interference in such issues has always been detrimental rather than beneficial to the interests it sought to aid.

The association now comes forward with a most earnest protest against a situation which has been developed in California during the current year, and joins the grain trade of the country in its endeavors to advise Congress and the American people of an intolerable condition which has emanated from the activities of the Federal Farm Board, made possible under the agricultural marketing act.

The Farmers' National Grain Corporation was organized under the laws of the State of Delaware in August, 1930. Its avowed purpose is to market grain for farmers' cooperative organizations throughout the several States. It is supposed to be farmer owned and farmer controlled, but the Farm Board approves its by-laws, dictates its policies, and approves the appointment of its managers. George S. Milnor, president of the Farm Board's Stabilization Corporation, is vice president and general manager of the Farmers' National. His salary for his joint office is said to be \$50,000 per annum. The operations of the Grain Stabilization Corporation are secret; it openly declines to make public its plans for the disposal of its vast wheat holdings. But the Farmers' National can not but know these plans and thereby has an unwarranted knowledge of the eventual trend of the market, from which knowledge great profits for the corporation and certain individuals can be taken.

The Farmers' National, capitalized at about \$500,000, with but little over \$50,000 paid in as cash capital, has been financed by the Farm Board to the extent of over \$20,000,000. During its first year of operations in buying and selling for the Stabilization Corporation and in transacting other business, it earned over \$600,000 net, none of which will be redistributed amongst the agriculturists of California.

Very briefly, the officials of the Farmers' National Grain Corporation, who are said to hold the stock control in the company, are quietly building up a strong and widely operated structure, with offices located at strategic points, warehouses, elevators, branches, and other collateral advantages, all with Government money, against the day when Government support will be withdrawn—as all concede it eventually must—at which time they will be firmly entrenched in the grain business throughout the country, and with ample capital but not of their own providing. This all-important matter of capital deserves careful consideration. The Farmers' National has been both buying and selling large quantities of grain for account of the Grain Stabilization Corporation, receiving a liberal commission for both operations. Commissions



are also paid on Government loans extended to cooperatives through the Farmers' National. Large earnings have also accrued from the high rates of commission (which they term "operating charges") which are paid the Farmers' National by the cooperatives affiliated with it.

To all the above the grain trade of the United States is now voicing violent protest, in which the San Francisco association joins. But in California conditions are somewhat different and unique in that the basic intent of the agricultural marketing act is to serve agriculture through cooperative organizations, while in this State we have the Farmers' National Grain Corporation, operating neither for nor with any California cooperative, rapidly becoming a dominant factor in the State's grain business to the dismay of private business interests and to the consternation and loss of our agriculturists. And its letterhead carries the bold caption "Cooperating with the Federal Farm Board." Already it has purchased eight country grain warehouses from former operators and has leased three others—all in the San Joaquin Valley.

California produces considerable wheat but not enough for its own needs. Shortly before the Farm Board's sale of wheat to China the Farmers' National sent its agents throughout the State and purchased practically all the wheat then remaining in farmers' hands. The market immediately advanced. The profits on this deal will accrue to the Farmers' National Grain Corporation, and our agriculturists will in no way benefit. The wheat farmers of our State are greatly incensed at this act.

Last spring when it was apparent that California would have a short grain crop the Farmers' National bought up a large portion of the old crop of barley then remaining in the interior of the State at low prices. The market then advanced materially, but no profits were distributed to any California farmers.

Our State produces about 750,000 tons of barley annually. About one-third of this is a surplus crop and is shipped to Europe for brewing purposes, chiefly to Great Britain. The British importers keep closely in touch with conditions in this market. They all seem to hold a strong prejudice against Government-pooled or Government-financed grain, and now we have the warning from many of them that they may seek their supplies in other markets if the Farm Board control or aid continues with our California product. They even show their prejudice against the pooled grain in their own Provinces of Canada and Australia, so we can not consider their warning as an idle threat.

Barley is a world crop. England produces about 1,000,000 tons of this type of grain annually. She does not have to buy the California surplus—for excellent beer is made in Germany which uses none of our State's barley. So the loss of our export barley trade is at issue—and as there are many hundred of thousands of acres in California that will produce nothing else profitably at the present time, and as there is no other market for our surplus, there is no denying the fact that we are facing a most threatening situation.

The California farmer has at all times enjoyed the advantage accruing from competitive buying. The activity of the State's grain trade in vying with one another in securing the better types of brewing barley for the British trade has kept prices up to very satisfactory levels for many years. Should the Farmers' National gain a dominant position in the barley trade in this State, it could readily keep prices down to satisfy the British importer, to the end that the corporation and the foreign buyer would profit and the farmer suffer. The grain dealer would quite naturally fade from the picture.

So our association strongly maintains that the agricultural marketing act should be repealed or at least greatly modified. The Government should get out of business, but in spite of the oft-repeated sentiments of President Hoover to the effect that no Government agency should engage in price fixing of products lest bureaucracy succeed democracy; that initiative must not be undermined; that the intrusion of Government into trading operations will raise a host of new dangers; that the interference with normal processes of supply and demand will threaten the sane progress of the world; yet the Government through its Federal Farm Board has done all these things and more.

We know that grain growing in California has been benefited in no way by the Farm Board or the Farmers' National Grain Corporation; we also know that unbearable hardships are being imposed on business enterprises unable to maintain their position against discriminatory competition from the Government; hence our plea to the California delegation in the Congress of the United States that justice be done forthwith.

SAN FRANCISCO GRAIN TRADE ASSOCIATION,  
By F. A. SOMERS, President.

#### STABILIZATION OF EMPLOYMENT

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to print in the RECORD an address made by me to the Grand Aerie of the Fraternal Order of Eagles at Toledo, Ohio, on the 12th of last August.

The SPEAKER. Is there objection?

There was no objection.

Mr. LUDLOW. Mr. Speaker, the Fraternal Order of Eagles, which is a great humanitarian organization, with a brilliant record of service and devotion to the common men and women of America, has prepared and presented for the consideration of the Congress a bill for the stabilization of

employment. The purpose of this bill is to set up governmental machinery that will keep industry on an even keel and ward off such evil cycles of unemployment and attendant woes as the one through which we are now passing. In proposing this measure the Fraternal Order of Eagles has exhibited creative resourcefulness, high courage, and far-reaching vision. Splendid as is the order's record of humanitarianism this measure is the capstone of its service to humanity.

Reforms like this progress slowly. The bill was first introduced in the Congress by me on December 1, 1930. In the Seventy-first Congress it advanced to a hearing before the House Judiciary Committee when the merits of the proposal were ably presented by Frank E. Hering of South Bend, Ind., Conrad H. Mann of Kansas City, Representative CLYDE KELLY, of Pennsylvania, and others. Members of the committee saw in the suggestion much merit but the time was altogether too brief to secure action before the close of the short session on March 4, last. By request of the order I reintroduced the bill in the Seventy-second Congress on the 10th day of the present month and it is now pending before the Judiciary Committee of the House.

When the grand aerie, or national body, of the order assembled at Toledo last August this measure was a foremost topic of discussion. By special invitation I appeared before the grand aerie on August 12 and spoke on the measure. By courtesy of the House of Representatives the address I delivered on that occasion is herewith printed in full, as follows:

Grand Worthy President and members of the Fraternal Order of Eagles assembled from all of the States of the Union:

How to prevent recurrent periods of industrial prostration and unemployment is the greatest problem of our age. It is a challenge to the best there is in American statesmanship. We are passing through appalling times. Over 5,000,000 willing workers are out of work in our country. This unemployment has cut off the sustaining income of 20,000,000 people, or one-sixth of our entire population. The incomes of countless thousands of firms have shrunk until their business operations are being written "in the red." Investments have evaporated or dwindled in value until financial princes have become paupers and widows who invested all they had in supposedly perfect securities find themselves without a cent of income. Agriculture, no less than industry, is in the grip of creeping paralysis. Farms everywhere are for sale at less than their appraised value. Farm property is going to rack and ruin because our farmers can not pay their mounting taxes, let alone raise funds necessary to make improvements.

My Washington home is two blocks up Pennsylvania Avenue from the White House. I am an early riser, retaining the habits I formed in my adolescent youth on the farm. Every morning I ride down to my office in the House Office Building on a street car and these are the sights that successively greet my eyes: First, the White House, where abides the well-meaning President of the United States, the first citizen of this great sovereign Commonwealth of free men; second, the Treasury of the United States, money center of the world; third, the bank where Abraham Lincoln had his account, a Gibraltar of finance, its vaults bulging with money; fourth, the oldest national bank in Washington, 116 years old and with enormous resources; fifth, the home of the largest trust company in Washington, with great steel vaults that hold and protect the treasures of the rich; sixth, another strong national bank named for the first Postmaster General of the United States, Benjamin Franklin; and last but not least, on the matutinal vista a long bread line at Sixth Street with a queue extending a square and a half, whose hungry component units march forward in order under the direction of sharp-eyed policemen, and, turning with perfect military alignment and precision, enter a ground floor room in the abandoned old National Hotel to receive the morning hand-out of bread and hot coffee. Henry Clay died in that hotel and sometimes when I pause to watch the column of hungry men advance I wonder whether he is looking back across the Elysian fields and getting an eye full. If he is looking back at all he is getting an eye full, because the National Capital is a city that is supposed to be independent of the fluctuations and depressions of business. There the Government as regularly as clockwork pours out millions to meet its pay rolls, which outflow always heretofore has been regarded as a guaranty of local prosperity. Although I have been a member of the Washington press gallery for 30 years I never until during the last year saw a bread line at the Nation's Capital.

While this is going on at the Capital of our Nation countless thousands of American citizens throughout the country, clean, upright men and women, are being forced to humiliate themselves by accepting alms and the community chests and welfare associations everywhere find their funds prematurely exhausted. It is no reflection on these good people that they are compelled by the thousands to bend their pride and receive largess from the hand of charity—something they had never dreamed would be



possible. The blame rightfully belongs on society and especially on our statesmen who through lack of foresight or indifference, or both, have neglected to establish machinery to stabilize industry and employment.

With matchless leadership and clear vision the Fraternal Order of Eagles is proposing a plan which when it is carried into effect will save America's millions of working men, business men, farmers, and investors from these recurrent cycles of depression and all their attendant woes. Heretofore we have taken it for granted that these debacles are inevitable. When we emerged from one we lived in fool's paradise of unstable prosperity until the cycle turned and we again went down into the bottom of the trough. We have assumed that we had to do this, as a matter of course—that when soup-house time comes we must have soup houses, just as when night comes we must have darkness. Soup houses and unemployment have been regarded by us in our short-sightedness as part of a natural and inexorable régime that was as fixed and permanent as the planets in their orbits.

In June a year ago a brilliant son of Indiana and a great leader of men arose to challenge the truth of these conclusions. That man was Frank E. Hering, of South Bend, Ind., past grand worthy president of our order, a former professor of economics, a thinker, and above all a humanitarian of the first rank. Arising in the State aerie at Anderson, Ind., he proposed a plan for governmental machinery in the form of a commission to stabilize industry, agriculture, and commerce. His plan was so simple, so workable, so practical that it was indorsed enthusiastically by the State aerie and later in the year was adopted unanimously and with tremendous acclaim by the grand aerie, meeting in San Francisco. A commission was created to whip the proposal into shape, at whose head was placed that great Eagle and that great humanitarian, Conrad H. Mann, of Kansas City. On the commission as coworkers with Mr. Mann were chosen men of the highest intelligence and character—Otto P. Deluse, of Indiana, Ex-Congressman John M. Morin of Pennsylvania, and United States Senator JOHN J. BLAINE, of Wisconsin. This plan was written into the form of a bill which was introduced at the last congress by Senator BLAINE in the Senate and by myself in the House. On December 17 last we had a hearing on the bill before the House Committee on the Judiciary. I wish all of you—I wish every person in the United States—could have been present on that most impressive occasion. For an hour and a quarter the members of the committee listened with rapt attention to Mr. Hering as he explained the practical workability of the Eagles' plan, in language so clear, concise, and illuminating that the committee would have been glad to have listened to him all day if the program of the House had permitted. He was at his best and he carried the unflinching interest of the committee with him from start to finish.

The Eagles' plan provides for the creation of machinery that will be the greatest stabilizing influence in the world, doing for the Nation at large and for industry, employment, commerce, and agriculture, what certain governmental instrumentalities now successfully do for interests and special groups as, for instance, the Interstate Commerce Commission, which has saved many a railroad from being wrecked, and the Federal reserve system, which has been a great help in fostering and stabilizing the banking of the country. The Eagles' plan for a stabilizing commission goes far beyond anything that has ever been attempted in the direction of erecting a governmental structure that will keep industry and business on an even keel and ward off unemployment. Now and then governmental bureaus and agencies have pecked at this field of service but their efforts have been sporadic, amateurish, and wholly ineffective. Under the Eagles' plan there will be established for the first time a competent governmental agency in the form of a commission of five members that will meet continuously and give its entire time to working out plans to stabilize industry and employment. Its activities will never cease and it will deal with the subject in a very fundamental way. As all of the world is interrelated in an economic sense, all of the world will be embraced in the scope of the commission's investigations, for it often happens that factors arise in other countries that have a direct economic reaction in the United States. For instance, England's advocacy of the gold standard in India immediately dislocated the market for silver in the United States, China, Japan, and Mexico. If the Eagles' stabilizing commission had been in existence then it would have learned in advance of the factors at work in India and by taking the appropriate steps would have softened the effects of the debasement of silver so they would hardly have been felt in America.

The Eagles' commission when in operation will be a sort of general headquarters where conditions both here and abroad will undergo continual analysis by experts who understand their business and where plans of great variety will be formulated to steer our people clear of disaster. If one industry is threatened with dullness the workers in that industry will be advised where they can secure employment in another industry. If there is a surplus in sight of one crop the farmers of the country will be advised so they can turn their attention to another crop of which there is no surplus, all to the end of maintaining profitable prices. It is very properly provided that the commission shall have no authority in itself to compel obedience or even to issue orders of any kind. Its function is to be that of an adviser to Congress. It will be a great fact-finding agency and will work out carefully measured policies and programs which it will present to Congress and in that broad field of service it will become when in full operation the most comforting and helpful influence in our national life.

The Eagles' stabilizing commission has not yet arrived, but I am here to report to you that it is on the way! Its accomplishment will mark the very peak of achievement in a practical realization of the brotherhood of man, which is the hope and the objective of our splendid order. To say that these distressing cycles of depression and unemployment are natural and can not be prevented is fool's talk. To say that we who are in Congress, charged with promoting the general welfare, can not visualize the value of the plan offered to us by this great fraternal order and adopt means to ward off these unnecessary debacles is a reflection on the brains that God gave us. To say that in a great organized society there is not ability enough to arrange economic values so as to meet anticipated economic wants is a sad commentary on our public men. Of course it is a practical proposal. Of course it will succeed ultimately, and the Eagles' plan or some one fashioned after it will be adopted, and when that happy day comes the credit will belong to the great fraternal order that we all love.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. SIROVICH. Mr. Speaker, I ask unanimous consent to address the House on January 4 next, immediately after the reading of the Journal, for one hour.

The SPEAKER. The gentleman from New York asks unanimous consent to address the House on January 4 next, immediately after the reading of the Journal, for one hour. Is there objection?

Mr. SNELL. Mr. Speaker, reserving the right to object, is that going to be the policy this year to allow a Member one hour on a certain day, three or four weeks in advance? There was considerable discussion of that last year, and we thought it was a bad policy. But it is for the majority to make its plans, and I am not going to object.

The SPEAKER. The Chair desires to say that he does not believe in that policy, and has so expressed himself a number of times. The Chair now takes the liberty of saying as a Member of the House that he believes that that policy is a mistake, and that gentlemen desiring to address the House ought to avail themselves, as far as possible, of the Committee of the Whole for that purpose. Otherwise the business of the House is clogged, and it interferes very often with the procedure that it is desired to pursue on that advanced day by virtue of the fact that consent has been given a Member to address the House at that time.

Mr. SNELL. I think it is a bad policy.

Mr. RAINEY. May I suggest to the gentleman from New York that he make his request immediately before the adjournment for the holidays?

Mr. SIROVICH. Mr. Speaker, in deference to the wishes of the Chair, I withdraw my request. I presented it to the gentleman from Illinois [Mr. RAINEY], and the gentleman from Indiana [Mr. PURNELL], and had their consent; but I am willing to withdraw the request.

#### EXTENSION OF REMARKS

Mr. RAINEY. Mr. Speaker, I ask unanimous consent that all Members who have spoken to-day be permitted to extend their own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. O'CONNOR. Reserving the right to object, I do not know whether the Chair has the information, but I would like to inquire whether the gentleman from Pennsylvania [Mr. MCFADDEN] had leave to extend his remarks?

The SPEAKER. The Chair is not informed.

A MEMBER. He did not.

Mr. O'CONNOR. I am forced to object to that particular instance.

#### ORDER OF BUSINESS

Mr. RAINEY. I desire to state that if the Mapes committee is not ready to go on to-morrow with their bills we will go into Committee of the Whole for the further consideration of the President's message. Next Monday or Tuesday it is not the purpose to take up anything of a controversial nature. There are many demands for time and we can devote those days to more debate. We expect to get the moratorium up on Thursday and perhaps get a vote on Friday.

#### PERSONAL REQUEST

Mr. WEAVER, at the request of Mr. DOUGHTON, by unanimous consent, was given leave of absence for one week on account of death in the family.



## ADJOURNMENT

Mr. RAINEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 20 minutes p. m.) the House adjourned until to-morrow, Wednesday, December 16, 1931, at 12 o'clock noon.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

268. A letter from the Comptroller of the Currency, transmitting annual report of the Comptroller of the Currency covering the activities of the Currency Bureau for the year ended October 31, 1931; to the Committee on Banking and Currency.

269. A letter from the Secretary of the Treasury, transmitting a draft of a bill that the act of Congress entitled "An act to repeal and reenact chapter 100, 1914, Public No. 108, to provide for the restoration of Fort McHenry, in the State of Maryland, and its permanent preservation as a national park and perpetual national memorial shrine as the birthplace of the immortal Star-Spangled Banner, written by Francis Scott Key"; to the Committee on Military Affairs.

270. A letter from the Secretary of the Treasury, transmitting annual report of the Commissioner of Narcotics for the fiscal year ended June 30, 1931; to the Committee on Ways and Means.

271. A communication from the President of the United States, transmitting estimates of appropriations submitted by the several executive departments and establishments to pay claims for damages to privately owned property in the sum of \$27,472.35 (H. Doc. No. 178); to the Committee on Appropriations, and ordered to be printed.

272. A communication from the President of the United States, transmitting schedules covering certain claims allowed by the General Accounting Office, as shown by certificates of settlement transmitted to the Treasury Department of payment, in the sum of \$3,204.52 (H. Doc. No. 176); to the Committee on Appropriations and ordered to be printed.

273. A communication from the President of the United States, transmitting an estimate of appropriation submitted by the Secretary of Commerce to pay a claim for damage occasioned by collision with a vessel of the Lighthouse Service, in the sum of \$65 (H. Doc. No. 177); to the Committee on Appropriations and ordered to be printed.

274. A communication from the President of the United States, transmitting records of judgments rendered against the Government by the United States district courts, as submitted by the Attorney General through the Secretary of the Treasury, in the sum of \$289,809.31 (H. Doc. No. 175); to the Committee on Appropriations and ordered to be printed.

275. A communication from the President of the United States, transmitting a list of judgments rendered by the Court of Claims, which have been submitted by the Attorney General through the Secretary of the Treasury, in the sum of \$552,394.55 (H. Doc. No. 174); to the Committee on Appropriations and ordered to be printed.

276. A letter from the Comptroller General of the United States, transmitting report to the Congress concerning the claim of the Pennsylvania Railroad Co. against the United States; to the Committee on Claims.

277. A communication from the President of the United States, transmitting schedules of claims amounting to \$293,594.31, allowed by the General Accounting Office, as covered by certificates of settlement (H. Doc. No. 173); to the Committee on Appropriations and ordered to be printed.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. MAPES: Select Committee on Fiscal Relations Between the United States and the District of Columbia. A report pursuant to House Resolution 285, Seventy-first Con-

gress, recommending changes in the fiscal relations (Rept. No. 1). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAPES: Select Committee on Fiscal Relations Between the United States and the District of Columbia. H. R. 5821. A bill to provide for the taxation of incomes in the District of Columbia, to repeal certain provisions of law relating to the taxation of intangible personal property in the District of Columbia, and for other purposes; without amendment (Rept. No. 2). Referred to the Committee of the Whole House on the state of the Union.

Mr. FREAR: Select Committee on Fiscal Relations Between the United States and the District of Columbia. H. R. 5822. A bill to provide a tax on the transfers of estates of decedents; without amendment (Rept. No. 3). Referred to the Committee of the Whole House on the state of the Union.

Mr. DAVIS: Select Committee on Fiscal Relations Between the United States and the District of Columbia. H. R. 5823. A bill to increase the motor-vehicle fuel tax in the District of Columbia, and to provide for the better administration thereof; without amendment (Rept. No. 4). Referred to the Committee of the Whole House on the state of the Union.

Mr. DAVIS: Select Committee on Fiscal Relations Between the United States and the District of Columbia. H. R. 5824. A bill to require the registration of motor vehicles in the District of Columbia, to prescribe registration fees based upon the weight of such motor vehicles, and for other purposes; without amendment (Rept. No. 5). Referred to the Committee of the Whole House on the state of the Union.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MAPES: A bill (H. R. 5821) to provide for the taxation of incomes in the District of Columbia, to repeal certain provisions of law relating to the taxation of intangible personal property in the District of Columbia, and for other purposes; committed to the Committee of the Whole House on the state of the Union.

By Mr. FREAR: A bill (H. R. 5822) to provide a tax on the transfers of estates of decedents; committed to the Committee of the Whole House on the state of the Union.

By Mr. DAVIS: A bill (H. R. 5823) to increase the motor-vehicle fuel tax in the District of Columbia and to provide for the better administration thereof; committed to the Committee of the Whole House on the state of the Union.

Also, a bill (H. R. 5824) to require the registration of motor vehicles in the District of Columbia, to prescribe registration fees based upon the weight of such motor vehicles, and for other purposes; committed to the Committee of the Whole House on the state of the Union.

By Mr. BANKHEAD: A bill (H. R. 5825) providing for regulation of the transportation of cotton in interstate and foreign commerce, and for other purposes; to the Committee on Agriculture.

By Mr. CURRY: A bill (H. R. 5826) to divide the northern judicial district of the State of California into two judicial districts; to the Committee on the Judiciary.

Also, a bill (H. R. 5827) to amend the act approved March 4, 1929, authorizing the acquisition of site and construction of a post-office building at Sacramento, Calif.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 5828) to authorize the attendance of the Navy Band at the convention of the Veterans of Foreign Wars of the United States at Sacramento, Calif.; to the Committee on Naval Affairs.

By Mr. GLOVER: A bill (H. R. 5829) to amend the Federal highway act of November 9, 1921, so as to provide Federal aid to the States in building lateral post roads over which the United States mail is now or may hereafter be carried; to the Committee on Roads.

By Mr. LEAVITT: A bill (H. R. 5830) to provide for the protection of forests from losses caused by insects; to the Committee on Agriculture.

Also, a bill (H. R. 5831) to authorize an appropriation for the installation of a mechanical fish screen on the Sun



River Slope Canal, Sun River Irrigation project, Montana, and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. RANKIN (by request): A bill (H. R. 5832) to provide payment of adjusted-service credit to sisters, brothers, and estates; to the Committee on Ways and Means.

Also (by request), a bill (H. R. 5833) to provide for the establishment of a permanent medical service in the Veterans' Administration; to the Committee on World War Veterans' Legislation.

By Mr. BOYLAN: A bill (H. R. 5834) providing for a 5-day work week for certain Government employees; to the Committee on the Civil Service.

By Mr. BURTNESS: A bill (H. R. 5835) providing for the calling of adverse parties for cross-examination in actions at law or equity; to the Committee on the Judiciary.

Also, a bill (H. R. 5836) to amend section 99 of the Judicial Code (U. S. C., title 28, sec. 180), as amended; to the Committee on the Judiciary.

Also, a bill (H. R. 5837) to regulate the construction of bridges over navigable waters of the United States, and for other purposes; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 5838) to provide for the aiding of farmers on wet lands in any State by the making of loans to drainage districts, levee districts, levee and drainage districts, counties, boards of supervisors, and/or other political subdivisions and legal entities, and for other purposes; to the Committee on Irrigation and Reclamation.

Also, a bill (H. R. 5839) to authorize the Secretary of Agriculture to provide for licensing laboratories for making determinations of protein in wheat and oil in flax, to maintain laboratories to pass on appeals from determinations of licensed laboratories, to acquire and disseminate information relative to protein in wheat and oil in flax, and for other purposes; to the Committee on Agriculture.

By Mr. EVANS of Montana: A bill (H. R. 5840) to grant vacant, unreserved, unappropriated, nonmineral lands to accepting States, and to authorize the President to establish national ranges in nonaccepting States; to create a board authorized to determine as to the disposition of certain areas of public domain; to enable the United States, the States, and individuals to exchange lands for the consolidation of mingled areas, and granting lands to certain States to achieve that purpose; to provide for the control, disposition, and protection of stock-watering places, and of intrastate and interstate stock driveways; and for the conservation of grazing resources; and for other purposes; to the Committee on the Public Lands.

By Mr. HADLEY: A bill (H. R. 5841) for the refundment of certain countervailing customs duties collected upon logs imported from British Columbia; to the Committee on the Judiciary.

By Mr. HARE: A bill (H. R. 5842) to amend an act providing for Federal intermediate credit banks; to the Committee on Banking and Currency.

By Mr. JAMES: A bill (H. R. 5843) to readjust the allowances of retired enlisted men of the Army, Navy, and Marine Corps; to the Committee on Military Affairs.

Also, a bill (H. R. 5844) to increase the efficiency of the Medical Department of the Regular Army; to the Committee on Military Affairs.

Also, a bill (H. R. 5845) to grant double-time credit for retirement purposes to enlisted men of the Army, Navy, Marine Corps, or Coast Guard for certain service since August 24, 1912; to the Committee on Military Affairs.

By Mr. McKEOWN: A bill (H. R. 5846) authorizing the District Court of the United States for the Eastern District of Oklahoma to hear and determine certain claims of the Seminole Nation or Tribe of Indians; to the Committee on Indian Affairs.

By Mr. MONTAGUE: A bill (H. R. 5847) to authorize the attendance of the Marine Band at the Confederate Veterans' reunion to be held at Richmond, Va.; to the Committee on Naval Affairs.

Also, a bill (H. R. 5848) authorizing and directing the Secretary of War to lend to the entertainment committee of the United Confederate Veterans 250 pyramidal tents, complete; fifteen 16 by 80 by 40 foot assembly tents; thirty 11 by 50 by 15 foot hospital ward tents; 10,000 blankets, olive drab, No. 4; 5,000 pillow cases; 5,000 canvas cots; 5,000 cotton pillows; 5,000 bed sacks; 10,000 bed sheets; 20 field ranges, No. 1; 10 field bake ovens; 50 water bags (for ice water) to be used at the encampment of the United Confederate Veterans to be held at Richmond, Va., in June, 1932; to the Committee on Military Affairs.

By Mr. RANKIN: A bill (H. R. 5849) to amend the World War veterans act, 1924, as amended; to the Committee on World War Veterans' Legislation.

Also, a bill (H. R. 5850) to amend the World War veterans' act of 1924, as amended; to the Committee on World War Veterans' Legislation.

Also, a bill (H. R. 5851) to provide adjusted-service credit allowance to provisional commissioned officers; to the Committee on Ways and Means.

Also, a bill (H. R. 5852) to provide for the commemoration of the Battles of Iuka and Eastport, in the State of Mississippi; to the Committee on Military Affairs.

Also, a bill (H. R. 5853) to provide for the commemoration of the Battle of Ackia, in the State of Mississippi; to the Committee on Military Affairs.

By Mr. SCHNEIDER: A bill (H. R. 5854) to amend the national prohibition act to provide for a reasonable and legal definition of the word "liquor" or the phrase "intoxicating liquor" within the purview of the eighteenth amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. TARVER: A bill (H. R. 5855) to amend the World War veterans' act of 1924, section 202, as amended; to the Committee on World War Veterans' Legislation.

By Mr. ALLGOOD: A bill (H. R. 5856) to authorize an appropriation for building highways on United States postal rural-route roads in the several States of the United States; to the Committee on Roads.

By Mr. CAMPBELL of Pennsylvania: A bill (H. R. 5857) to provide legal-tender money, without interest, secured by community noninterest-bearing 25-year bonds for public improvements, market roads, employment of unemployed, building homes for and financing through community banks organized under State laws its citizens, farmers, merchants, manufacturers, partnerships, corporations, trusts, or trustees, and for community needs of the United States; to the Committee on Banking and Currency.

By Mr. DYER: A bill (H. R. 5858) to amend the national prohibition act, as supplemented, to conform with the eighteenth constitutional amendment by limiting the prohibition to intoxicating liquors for beverage purposes; to the Committee on the Judiciary.

Also, a bill (H. R. 5859) to amend the national prohibition act, as supplemented, to conform with the eighteenth constitutional amendment by permitting the use of alcoholic liquors for medicinal purposes; to the Committee on the Judiciary.

By Mr. HANCOCK of North Carolina: A bill (H. R. 5860) to amend the revenue act of 1926 by reducing the tax on cigars, cigarettes, and tobacco; to the Committee on Ways and Means.

By Mr. HARDY: A bill (H. R. 5861) authorizing the construction of a drainage channel in the closed basin of the San Luis Valley in Colorado, authorizing investigations of reservoir sites, and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. LUCE: A bill (H. R. 5862) to establish a memorial to Theodore Roosevelt in the National Capital; to the Committee on the Library.

Also, a bill (H. R. 5863) to authorize the transfer of jurisdiction over public land in the District of Columbia; to the Committee on Public Buildings and Grounds.

By Mr. MANSFIELD: A bill (H. R. 5864) to provide for the appointment of an additional district judge for the



southern district of Texas; to the Committee on the Judiciary.

By Mr. MOORE of Kentucky: A bill (H. R. 5865) declaring the Mud River in the State of Kentucky a nonnavigable stream; to the Committee on Interstate and Foreign Commerce.

By Mr. SINCLAIR: A bill (H. R. 5866) to authorize the construction of a dam across Des Lacs Lake, N. Dak.; to the Committee on Flood Control.

By Mr. AUF DER HEIDE: A bill (H. R. 5867) to amend the national prohibition act; to the Committee on the Judiciary.

By Mr. BUCKBEE: A bill (H. R. 5868) to adjust the salaries of postmasters of the first and second classes; to the Committee on the Post Office and Post Roads.

By Mr. DICKSTEIN: A bill (H. R. 5869) to exempt from the quota husbands of American citizens; to the Committee on Immigration and Naturalization.

Also, a bill (H. R. 5870) to amend an act to supplement the naturalization laws, and for other purposes, approved March 2, 1929; to the Committee on Immigration and Naturalization.

Also, a bill (H. R. 5871) to amend the act of March 4, 1924, making it a felony for certain aliens to enter the United States of America; to the Committee on Immigration and Naturalization.

Also, a bill (H. R. 5872) to amend the immigration act of 1924; to the Committee on Immigration and Naturalization.

By Mr. DOMINICK: A bill (H. R. 5873) to provide for references in law cases by consent of the parties and declaring the effect of such submission; to the Committee on the Judiciary.

Also, a bill (H. R. 5874) to provide that indictments and informations shall not be held insufficient for failure to lay the venue; to the Committee on the Judiciary.

Also, a bill (H. R. 5875) to dispense with the necessity of setting out copies of instruments in indictments and informations; to the Committee on the Judiciary.

By Mr. ENGLEBRIGHT: A bill (H. R. 5876) to aid in the establishment of State parks; to the Committee on the Public Lands.

By Mr. HOUSTON of Hawaii: A bill (H. R. 5877) to further amend the act entitled "An act to extend the provisions of certain laws to the Territory of Hawaii," approved March 10, 1924; to the Committee on the Territories.

By Mr. KEMP: A bill (H. R. 5878) granting the consent of Congress to the Louisiana Highway Commission, and the Missouri Pacific Railroad Co., and the Louisiana & Arkansas Railway Co. to construct, maintain, and operate a combination highway and railroad bridge across the Mississippi River at or near Baton Rouge, La.; to the Committee on Interstate and Foreign Commerce.

By Mr. LEAVITT: A bill (H. R. 5879) to authorize an appropriation for completion of the recording of the Indian sign language through the instrumentality of Maj. Gen. Hugh L. Scott, retired; to the Committee on Indian Affairs.

By Mr. McLEOD: A bill (H. R. 5880) granting the Secretary of the Treasury authority to employ a local State resident architect in the construction of Federal buildings; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 5881) providing that the Secretary of the Treasury shall permit only local State resident contractors to bid on the construction work of such Federal buildings, or additions thereto; to the Committee on Public Buildings and Grounds.

By Mr. CONNERY: A bill (H. R. 5882) to divest goods, wares, and merchandise manufactured or produced by women and minors of their interstate character in certain cases; to the Committee on Labor.

By Mr. GLOVER: A bill (H. R. 5883) to prevent the sale of cotton and grain in future markets and to aid agriculture; to the Committee on Agriculture.

By Mr. KLEBERG: A bill (H. R. 5884) to provide for the appointment of an additional district judge for the southern district of Texas; to the Committee on the Judiciary.

By Mr. FULMER: Resolution (H. Res. 63) providing for the printing of 2,000 copies of the Soil Survey for certain counties in North Carolina; to the Committee on Printing.

By Mr. DYER: Joint resolution (H. J. Res. 130) proposing an amendment to the Constitution of the United States providing for national representation for the people of the District of Columbia; to the Committee on the Judiciary.

By Mr. LUCE: Joint resolution (H. J. Res. 131) to make available to Congress the services and data of the Interstate Legislative Reference Bureau; to the Committee on the Library.

By Mr. DICKSTEIN: Joint resolution (H. J. Res. 132) relative to fees in naturalization proceedings; to the Committee on Immigration and Naturalization.

By Mr. DISNEY: Joint resolution (H. J. Res. 133) proposing an amendment to the Constitution of the United States fixing the commencement of the terms of President and Vice President and Members of Congress and fixing the time of the assembling of Congress; to the Committee on Election of President, Vice President, and Representatives in Congress.

By Mr. FISH: Joint resolution (H. J. Res. 134) authorizing the disposition of wheat purchased by the Federal Farm Board for the relief of distress in the United States; to the Committee on Agriculture.

#### MEMORIALS

Under clause 3 of Rule XXII, memorials were presented and referred as follows:

Memorial of the State Legislature of the State of California, memorializing the Congress of the United States relative to changing the official name of Goat Island to Yerba Buena Island; to the Committee on the Public Lands.

Memorial of the State Legislature of the State of California, memorializing the Congress of the United States to provide compensation, in lieu of taxes, for certain lands of the United States within the borders of the several States; to the Committee on the Public Lands.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADKINS: A bill (H. R. 5885) for the relief of Thomas Stevenson; to the Committee on Naval Affairs.

By Mr. ANDREWS of New York: A bill (H. R. 5886) authorizing the Secretary of War to award a congressional medal of honor to Maj. Algar M. Wheeler; to the Committee on Military Affairs.

Also, a bill (H. R. 5887) for the relief of George Rounds; to the Committee on Claims.

By Mr. AYRES: A bill (H. R. 5888) granting a pension to Mary E. Pratt; to the Committee on Pensions.

By Mr. BUCKBEE: A bill (H. R. 5889) for the relief of Jennie Shellcross; to the Committee on Claims.

By Mr. BURTNESS: A bill (H. R. 5890) for the relief of the Lehigh Briquetting Co.; to the Committee on Ways and Means.

Also, a bill (H. R. 5891) for the relief of W. H. Comrie, jr.; to the Committee on World War Veterans' Legislation.

By Mr. CLAGUE: A bill (H. R. 5892) granting a pension to Mary Ann Conley; to the Committee on Invalid Pensions.

By Mr. COCHRAN of Missouri: A bill (H. R. 5893) for the relief of William H. Moore; to the Committee on Claims.

Also, a bill (H. R. 5894) for the relief of Joseph P. Noser; to the Committee on Naval Affairs.

Also, a bill (H. R. 5895) for the relief of Albin Valentene Coffman; to the Committee on Naval Affairs.

Also, a bill (H. R. 5896) granting an increase of pension to Viola Schaub; to the Committee on Pensions.

Also, a bill (H. R. 5897) for the relief of Norman H. Murphy; to the Committee on Military Affairs.



Also, a bill (H. R. 5898) for the relief of Clarence Edward Mattison; to the Committee on Naval Affairs.

Also, a bill (H. R. 5899) granting a pension to Emma Springer; to the Committee on Invalid Pensions.

By Mr. COLTON: A bill (H. R. 5900) for the relief of H. A. Soderberg; to the Committee on Claims.

Also, a bill (H. R. 5901) granting a pension to John Z. Alger; to the Committee on Pensions.

By Mr. CONNERY: A bill (H. R. 5902) for the relief of Arthur Maxwell O'Connor; to the Committee on Military Affairs.

By Mr. CRAIL: A bill (H. R. 5903) for the relief of Michael J. McNulty; to the Committee on Military Affairs.

Also, a bill (H. R. 5904) for the relief of George McCourt; to the Committee on Military Affairs.

Also, a bill (H. R. 5905) for the relief of certain officers of the United States Public Health Service; to the Committee on Claims.

By Mr. CRISP: A bill (H. R. 5906) for the relief of Lucy Stewart; to the Committee on Claims.

By Mr. DAVENPORT: A bill (H. R. 5907) granting a pension to Arthur Boyce; to the Committee on Invalid Pensions.

By Mr. DISNEY: A bill (H. R. 5908) granting a pension to Laura E. Todd; to the Committee on Pensions.

By Mr. EATON of Colorado: A bill (H. R. 5909) to authorize the issuance of patents for certain lands in the State of Colorado to certain persons; to the Committee on the Public Lands.

By Mr. EATON of New Jersey: A bill (H. R. 5910) granting a pension to Edward Brodmerkel; to the Committee on Pensions.

By Mr. EVANS of California: A bill (H. R. 5911) granting an increase of pension to Martha J. Jones; to the Committee on Invalid Pensions.

By Mr. FISHBURNE: A bill (H. R. 5912) granting a pension to Mary Frances Paris Phillips; to the Committee on Pensions.

Also, a bill (H. R. 5913) for the relief of Samuel Irick; to the Committee on World War Veterans' Legislation.

By Mr. FOSS: A bill (H. R. 5914) granting an increase of pension to Julia A. Morgan; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5915) granting an increase of pension to Annie E. Stoddard; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5916) granting an increase of pension to Julia O'Mara; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5917) granting an increase of pension to Julia A. Tyler; to the Committee on Invalid Pensions.

By Mr. HAINES: A bill (H. R. 5918) granting a pension to Prudence K. Clair; to the Committee on Invalid Pensions.

By Mr. HARDY: A bill (H. R. 5919) granting an increase of pension to Edeluvin G. Romero; to the Committee on Invalid Pensions.

By Mr. HARE: A bill (H. R. 5920) for the relief of Rosa E. Browning; to the Committee on Claims.

Also, a bill (H. R. 5921) for the relief of William Smith; to the Committee on Naval Affairs.

By Mr. HASTINGS: A bill (H. R. 5922) for the relief of W. A. Peters; to the Committee on Claims.

By Mr. HOGG of West Virginia: A bill (H. R. 5923) granting an increase of pension to Duracy E. Ash (with accompanying papers); to the Committee on Invalid Pensions.

Also, a bill (H. R. 5924) granting an increase of pension to Flera Messick (with accompanying papers); to the Committee on Invalid Pensions.

Also, a bill (H. R. 5925) granting a pension to Mollie A. Ware (with accompanying papers); to the Committee on Invalid Pensions.

Also, a bill (H. R. 5926) granting a pension to Nannie S. Daniel (with accompanying papers); to the Committee on Invalid Pensions.

Also, a bill (H. R. 5927) granting an increase of pension to Sarah E. Boler (with accompanying papers); to the Committee on Invalid Pensions.

Also, a bill (H. R. 5928) granting a pension to Cora C. O'Neill; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5929) for the relief of Benjamin Yarrow; to the Committee on Military Affairs.

Also, a bill (H. R. 5930) for the relief of Howard Lee; to the Committee on Military Affairs.

Also, a bill (H. R. 5931) granting an increase of pension to Chloe T. Hutchinson; to the Committee on Invalid Pensions.

By Mr. HOPKINS: A bill (H. R. 5932) granting a pension to Mary Susan Taylor; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5933) for the relief of John Evans; to the Committee on Claims.

By Mr. JENKINS: A bill (H. R. 5934) granting an increase of pension to Caroline Forrest; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5935) granting an increase of pension to Frances Lee; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5936) granting an increase of pension to Sophie M. Swigert; to the Committee on Invalid Pensions.

By Mr. KADING: A bill (H. R. 5937) granting an increase of pension to Mary Baker; to the Committee on Invalid Pensions.

By Mr. KNUTSON: A bill (H. R. 5938) granting a pension to Angeline Woolsey; to the Committee on Pensions.

By Mr. LAMBETH: A bill (H. R. 5939) for reimbursement of expenditures made by Lieut. Felix L. Johnson, United States Navy, for transportation of his dependents incident to his transfer from Naval Academy to Asiatic station in 1928; to the Committee on Claims.

By Mr. LEAVITT: A bill (H. R. 5940) for the relief of Florian Ford; to the Committee on Indian Affairs.

By Mr. LOZIER: A bill (H. R. 5941) granting a pension to Ellen Steton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5942) granting a pension to Catherine Glasscock; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5943) granting an increase of pension to Sarah I. Tomlin; to the Committee on Invalid Pensions.

By Mr. LUDLOW: A bill (H. R. 5944) granting an increase of pension to Sophia Huber; to the Committee on Invalid Pensions.

By Mr. McCLINTOCK of Ohio: A bill (H. R. 5945) granting an increase of pension to Flora V. Reid; to the Committee on Invalid Pensions.

By Mr. McLEOD: A bill (H. R. 5946) for the relief of Clawson R. Nelson; to the Committee on Claims.

Also, a bill (H. R. 5947) for the relief of John Moore; to the Committee on Claims.

By Mr. McSWAIN: A bill (H. R. 5948) granting an increase of pension to Emily F. Ailshie; to the Committee on Pensions.

Also, a bill (H. R. 5949) granting a pension to Marvin Yeargin; to the Committee on Pensions.

By Mr. MALONEY: A bill (H. R. 5950) for the relief of Adrian M. Finney and others; to the Committee on Claims.

By Mr. MARTIN of Oregon: A bill (H. R. 5951) granting an increase of pension to Emma S. Young; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5952) granting a pension to Ella Ann Alexander; to the Committee on Pensions.

By Mr. MILLIGAN: A bill (H. R. 5953) granting a pension to Louisa Wainscott; to the Committee on Invalid Pensions.

By Mr. MOORE of Kentucky: A bill (H. R. 5954) granting a pension to Sylvia Abner; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5955) granting an increase of pension to Americus Watt; to the Committee on Pensions.

Also, a bill (H. R. 5956) granting a pension to Lee Rigsby; to the Committee on Invalid Pensions.

By Mr. MOREHEAD: A bill (H. R. 5957) for the relief of Mary E. McGerr; to the Committee on Claims.

By Mr. NELSON of Wisconsin: A bill (H. R. 5958) granting an increase of pension to Ann Cripps; to the Committee on Invalid Pensions.

By Mr. NOLAN: A bill (H. R. 5959) granting a pension to Henry Berndt; to the Committee on Pensions.

Also, a bill (H. R. 5960) for the relief of Maj. Richard K. Smith; to the Committee on Military Affairs.



Also, a bill (H. R. 5961) for the relief of Robert Templeton; to the Committee on Military Affairs.

Also, a bill (H. R. 5962) for the relief of Robert J. Smith; to the Committee on Military Affairs.

By Mr. NORTON of Nebraska: A bill (H. R. 5963) granting an increase of pension to Marie M. Colby; to the Committee on Pensions.

By Mr. POLK: A bill (H. R. 5964) granting a pension to Bertha T. Hastings; to the Committee on Invalid Pensions.

By Mr. PURNELL: A bill (H. R. 5965) granting a pension to Edith A. Sunderland; to the Committee on Pensions.

By Mr. RAMSEYER: A bill (H. R. 5966) granting an increase of pension to Susan F. Coats; to the Committee on Invalid Pensions.

By Mr. RANKIN: A bill (H. R. 5967) granting the distinguished-service cross to Richard M. Boyd; to the Committee on Military Affairs.

Also, a bill (H. R. 5968) granting a pension to Phillip E. Bruton; to the Committee on Pensions.

Also, a bill (H. R. 5969) granting a pension to Julia Ann Gentry; to the Committee on Pensions.

Also, a bill (H. R. 5970) granting a pension to Charlotte DuBose Taylor; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5971) for the relief of Grover Cleveland Ballard; to the Committee on War Claims.

Also, a bill (H. R. 5972) granting a pension to Jason Paul Ford; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5973) granting a pension to Harriet McEntire; to the Committee on Pensions.

By Mr. RICH: A bill (H. R. 5974) granting a pension to Hazel Stover; to the Committee on Pensions.

By Mr. SCHAFER: A bill (H. R. 5975) for the relief of William P. Rooney; to the Committee on Claims.

By Mr. SWING: A bill (H. R. 5976) granting a pension to Douglas B. Trask; to the Committee on Pensions.

By Mr. SMITH of Idaho: A bill (H. R. 5977) granting an increase of pension to Mary F. Elam; to the Committee on Invalid Pensions.

By Mr. SMITH of West Virginia: A bill (H. R. 5978) for the relief of Elmer James Wynne; to the Committee on Naval Affairs.

Also, a bill (H. R. 5979) for the relief of the heirs of John B. Johnson; to the Committee on War Claims.

By Mr. STEVENSON: A bill (H. R. 5980) for the relief of Lottie W. McCaskill; to the Committee on Claims.

Also, a bill (H. R. 5981) for the relief of Maj. William Lee Davidson; to the Committee on Military Affairs.

Also, a bill (H. R. 5982) granting a pension to Waddy D. Kirkley; to the Committee on Pensions.

Also, a bill (H. R. 5983) granting a pension to William T. Dickerson; to the Committee on Pensions.

Also, a bill (H. R. 5984) granting a pension to William A. Finley; to the Committee on Pensions.

By Mr. SWICK: A bill (H. R. 5985) granting a pension to Eleanor and Robert Snyder; to the Committee on Pensions.

By Mr. SWING: A bill (H. R. 5986) for the relief of Charles F. Starr; to the Committee on Military Affairs.

Also, a bill (H. R. 5987) for the relief of High G. Lisk; to the Committee on Claims.

Also, a bill (H. R. 5988) for the relief of Lloyd Earnest Robbins; to the Committee on Naval Affairs.

Also, a bill (H. R. 5989) for the relief of John O'Neil; to the Committee on Naval Affairs.

Also, a bill (H. R. 5990) granting a pension to Ollie A. DeSelm; to the Committee on Invalid Pensions.

By Mr. TARVER: A bill (H. R. 5991) granting a pension to Theodore V. Cowart; to the Committee on Pensions.

Also, a bill (H. R. 5992) granting a pension to Mary H. Auch; to the Committee on Invalid Pensions.

By Mr. THATCHER: A bill (H. R. 5993) for the relief of William H. Plyman; to the Committee on Military Affairs.

By Mr. THOMASON: A bill (H. R. 5994) for the relief of E. G. Doty; to the Committee on Claims.

By Mr. TILSON: A bill (H. R. 5995) authorizing the President to order Louis U. LaBine before a retiring board for a hearing of his case and upon the findings of such board to determine whether or not he be placed on the retired list with rank and pay held by him at the time of his discharge; to the Committee on Military Affairs.

Also, a bill (H. R. 5996) granting an increase of pension to Nellie N. Taft; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5997) for the relief of Lulu M. Peiper; to the Committee on Claims.

Also, a bill (H. R. 5998) for the relief of Mary Murnane; to the Committee on Claims.

Also, a bill (H. R. 5999) for the relief of Raymond Nelson Hickman; to the Committee on Naval Affairs.

Also, a bill (H. R. 6000) for the relief of Austin L. Tierney; to the Committee on Naval Affairs.

Also, a bill (H. R. 6001) granting a pension to Ida Raphael; to the Committee on Pensions.

Also, a bill (H. R. 6002) granting a pension to Matilda Sieber; to the Committee on Invalid Pensions.

By Mr. WHITTINGTON: A bill (H. R. 6003) for the relief of A. L. Marshall; to the Committee on Claims.

By Mr. WILLIAMS of Missouri: A bill (H. R. 6004) granting an increase of pension to Caroline Winfield; to the Committee on Invalid Pensions.

#### PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

150. By Mr. BARBOUR: Petition of residents of the seventh congressional district of California, relative to radio protection for passengers and seamen on seagoing vessels, etc.; to the Committee on the Merchant Marine and Fisheries.

151. By Mr. BEAM: Petition of the Polish National Alliance, Commune 143, to amend the World War adjusted compensation act and provide for the immediate cash redemption of adjusted-compensation certificates; to the Committee on Ways and Means.

152. By Mr. EATON of Colorado: Memorial of the Colorado Highway Advisory Board, urging the passage of an act similar to the act of December 20, 1930, appropriating emergency Federal-aid funds equal to that of the emergency advance fund act, approved December 20, 1930; to the Committee on Appropriations.

153. By Mr. GARBER: Petition of the Committee Against Repeal of the Eighteenth Amendment, stating reasons for opposition to resubmission of the eighteenth amendment to the States; to the Committee on the Judiciary.

154. By Mr. HOGG of West Virginia: Petition of Independent Petroleum Association of America, requesting protective tariff or restrictive importations on crude oil; to the Committee on Ways and Means.

155. By Mr. HERR: Memorial of Vancouver (Wash.) Chamber of Commerce, protesting against reduction of Air Corps Reserve appropriations and seeking an increase in flying hours; to the Committee on Ways and Means.

156. Also, petition of Maj. E. M. Brown Camp, No. 22, United Spanish War Veterans, of Tacoma, Wash., protesting against any wage cut of Federal employees' salaries; to the Committee on Ways and Means.

157. By Mr. MOORE of Kentucky: Petition of Local Union, No. 5119, United Mine Workers of America, Central City, Ky., for Federal relief for unemployed miners; to the Committee on the Judiciary.

158. By Mr. SINCLAIR: Petition of Board of County Commissioners of Williams County, N. Dak., asking for Federal aid to purchase seed grain, feed, and fuel for planting the 1932 crops; to the Committee on Agriculture.

159. By Mr. THOMASON: Petition of George Scott Post, No. 394, American Legion, Bronte, Tex., asking that Congress enact a law providing for payment of balance due on adjusted-service certificates; to the Committee on Ways and Means.